



IN THE HIGH COURT OF KARNATAKA

KALABURAGI BENCH

DATED THIS THE 21ST DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

WRIT PETITION NO. 223525 OF 2020 (LA-RES)

BETWEEN:

KARNATAKA NEERAVARI NIGAM
REGD. OFFICE, 4TH FLOOR, COFFEE BOARD,
BUILDING, AMBEDKAR ROAD,
BENGALURU - 560 080.
NOW REPRESENTED BY ITS
THE EXECUTIVE ENGINEER
KNNL, BNT DIVISION NO.4
HEBBAL VILLAGE - 585 312
TQ. CHITTAPUR, DIST. KALABURAGI

...PETITIONER

(BY SRI. SANJEEVKUMAR C.PATIL, ADVOCATE)

AND:

1. THE STATE THROUGH
SPECIAL LAND ACQUISITION OFFICER,
M & MIP, #7 MINI VIDHANA SOUDHA,
KALABURAGI - 585 102.
2. THE DEPUTY COMMISSIONER,
MINI VIDHANA SOUDHA,
KALABURAGI - 585 102.
3. PRABHAKAR S/O MAREGAPPA
AGE: 60 YEARS OCC: AGRICULTURE
DEAD BY LRS
- 3A. ARVIND S/O PRABHAKAR GANDIGUDI,
AGE: 71 YEARS, OCC: AGRICULTURE,
- 3B. NAGRAJS/O PRABHAKAR GANDIGUDI,
AGE: MAJOR, OCC: AGRICULTURE,





- 3C. TOTAPPA S/O PRABHAKAR GANDIGUDI,
AGE: 61 YEARS, OCC: AGRICULTURE,
- 3D. SHARANABASAPPA S/O PRABHAKAR GANDIGUDI,
AGE: 57 YEARS, OCC: AGRICULTURE,

ALLA ARE R/O SIRAPUR VILLAGE - 585 103
TQ. & DIST. KALABURGI.

...RESPONDENTS

(BY SRI. SHASHIKIRAN SHETTY, AG, A/W
SRI.MALHAR RAO, AAG &
SMT. MAYA T.R., HCGP, FOR R1 AND R2;
SRI. HARSHAVARDHAN R.MALIPATIL, ADVOCATE FOR R3(A) TO
R3(D))

THIS WRIT PETITION IS FILED UNDER ARTICLES 226 AND 227
OF THE CONSTITUTION OF INDIA, PRAYING TO ISSUE A WRIT OF
CERTIORARI QUASHING THE JUDGMENT AND AWARD DATED
27.04.2018 PASSED BY THE HON'BLE III ADDL. DISTRICT JUDGE,
KALABURAGI PASSED IN LACA NO.935/2017 PRODUCED AT
ANNEXURE-A.

THIS PETITION, COMING ON FOR FURTHER HEARING, THIS
DAY, ORDER WAS MADE THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE SURAJ GOVINDARAJ

ORAL ORDER

1. The petitioner, Karnataka Niravari Nigam Limited
who is the beneficiary of the acquisition, is before
this Court seeking for the following reliefs:

- I) *Issue a writ of certiorari quashing the judgment
and award dated 27.04.2018 passed by the
Hon'ble III Addl. District Judge, Kalaburagi
passed in LACA No.935 of 2017 produced at
Annexure-A.*
- II) *To allow this writ petition with costs and grant
such other relief / reliefs as this Hon'ble Court
may deem fit in the facts and circumstances of*



the case as stated above with costs in the interest of justice and equity.

2. Having regard to the admitted position that the acquisition proceedings have remained pending for an inordinately long period of time, and further taking into consideration that the land losers have not received the compensation amounts within a reasonable or statutorily contemplated timeframe, this Court found it necessary to consider appropriate measures to ensure expeditious and effective resolution of the disputes. It is also of relevance that the land losers have been constrained to initiate proceedings for enforcement of the decrees passed against the beneficiary of the acquisition, which itself indicates the protracted nature of the litigation and the absence of finality.
3. This Court being conscious of the fact that continued pendency of such proceedings would result in manifest prejudice to all stakeholders. On the one hand, the land losers would be deprived of the immediate and beneficial enjoyment of the compensation amounts awarded to them, thereby defeating the very purpose of acquisition jurisprudence which mandates timely recompense for compulsory deprivation of property. On the other



hand, the beneficiary of the acquisition, as well as the State Government, would be exposed to an ever-increasing financial burden on account of the accrual of statutory interest, additional interest, and other consequential liabilities during the pendency of the proceedings.

4. In addition, multiplicity of proceedings, including execution proceedings and ancillary litigations, would further complicate the matter and consume valuable judicial time. In such circumstances, this Court was of the considered opinion that an adversarial adjudicatory process may not necessarily subserve the ends of justice in the most efficient manner.
5. Accordingly, in exercise of its powers to adopt alternative dispute resolution mechanisms, and having regard to the principles underlying Section 89 of the Code of Civil Procedure, 1908, this Court suggested to the learned counsel appearing for all parties as to whether they would be agreeable to a reference of the disputes to mediation, with a view to facilitating a comprehensive, mutually acceptable, and time-bound settlement, thereby bringing a quietus to the long-pending disputes between the parties.



6. Pursuant to the aforesaid suggestion, the learned Advocate General, upon obtaining necessary instructions from the State Government as well as the concerned departments and instrumentalities, fairly submitted that the State would be agreeable to exploring a resolution of the disputes through the process of mediation. The said submission reflects a pragmatic and constructive approach on the part of the State in addressing long-pending acquisition-related disputes.
7. Similarly, the learned counsels appearing for the land losers, led by Sri Harshavardhan R. Malipatil, also expressed their willingness to participate in the mediation process, recognising that such a mechanism may enable an expeditious realisation of compensation and avoid further delay inherent in continued litigation.
8. In view of the consensus that emerged between the parties, and bearing in mind the nature of the disputes as well as the potential for an equitable and negotiated settlement, this Court deemed it appropriate to refer the matter to mediation. Accordingly, the disputes were referred to mediation under the aegis of Hon'ble Sri A. V. Chandrashekhar,



former Judge of this Court, who was requested to act as the Mediator.

9. Learned counsel appearing for all the parties submit that, pursuant to the reference made by this Court, several rounds of mediation proceedings were conducted under the guidance of the learned Mediator. It is submitted that multiple interactive sessions were held, both collectively and separately, involving the representatives of the State Government, the beneficiary of the acquisition, and the land losers. Parallel deliberations were also undertaken at the level of the concerned governmental authorities to examine the feasibility of settlement and to obtain necessary approvals.
10. It is further submitted that, as a result of sustained negotiations and constructive engagement between the parties, they have been able to arrive at an amicable and mutually acceptable settlement, resolving the disputes which formed the subject matter of the present proceedings. The terms of such settlement have been reduced into writing and duly recorded by the learned Mediator in the form of a Mediation Agreement.



11. The learned counsel submit that the said Mediation Agreement has been signed by the parties and their respective representatives, and has been placed on record before this Court. It is also submitted that the settlement comprehensively addresses all outstanding issues between the parties, including the payment of compensation, interest components, timelines for disbursement, and the manner of closure of pending proceedings.
12. In view of the above, the parties jointly requested this Court to take the Mediation Agreement on record and to pass appropriate orders in terms thereof, so as to give finality to the disputes between the parties.
13. The Mediation Agreement, as placed on record, reads as under:

"MEDIATION AGREEMENT

Thorough discussions were held in the presence of the Learned Mediator, Justice A.V Chandrashekar (Retired), the Managing Director of Karnataka Neeravari Nigam (Hereinafter "KNNL"), the Learned Advocate General, Karnataka, Additional Advocate General, Kalaburagi, the Learned Advocates appearing for the parties, and the authorized representatives of KNNL.

The parties have agreed as follows:



The present writ petition is one of several land acquisition matters pertaining to various irrigation projects which are being undertaken and managed by KNNL. By order Dtd:07-07-2025, the Hon'ble High Court referred the matters for mediation and connected cases. The present compromise has been duly approved by the State Government of Karnataka on 25-02-2026 relating to the land acquisition for the Bennethora project, considering the various factors like the decision of the Hon'ble Supreme Court and also settlement in earlier mediation MSA No.200061 of 2017 and other connected matter and deliberations between the parties. The parties have voluntarily agreed to settle the above matter on the following terms:

- (a) The market value of the land acquired is calculation and arrived at Rs.1,51,278/- (in words Rupees: One Lakh fifty one thousand two hundred seventy eight only) per acre for dry land.*
- (b) The Respondent/s (Claimant/s) is/are entitled for all statutory benefits under Land Acquisition Act, except for the period of delay in filing the Appeal before the First Appellate Court.*
- (c) No interest is payable to the Respondent/s (Claimant/s) for the period of delay in filing the Appeal before the First Appellate Court.*
- (d) The Respondent/s (Claimant/s) agree that they will give up statutory interest for a period of two and half years.*
- (e) It is agreed to between the parties that the calculation of interest is made up to 14.03.2026.*
- (f) It is agreed to between the parties that, in case the agreed amount is not paid within four months from the signing of this agreement, KNNL will not be entitled for exemption of payment of interest for a*



period of two and half years as outlined in clause (d).

- (g) The Respondent/s (Claimant/s) has/have understood and agreed that the payment of amounts quantified in the present agreement would be made through the P.D account of KNNL of Chief Accounts Officer, KNNL, Dharwad. (Heard of Account "8443-00-106") as outlined in G.O. No. AE13 TAR 2023 dated 27.09.2024;*
- (h) The Respondent/s (Claimant/s) agree that the present agreement would be a full and final settlement of their claims and they would not be entitled to any differential interest except in accordance with the terms of this agreement;*
- (i) Respondent/s (Claimant/s) has/have agreed to give an undertaking in writing about the genuineness of their claim and undertake to furnish copy of the Passbook and Aadhar Card immediately upon signing of the agreement;*
- (j) The Respondent/s (Claimant/s) agree that the present agreement would be a full and final settlement of their claims and they and/or their legal heirs undertake to not agitate any further claims in this regard, in the future;*
- (k) The Respondent/s (Claimant/s) agree to withdraw all pending Execution Petition(s) in terms of this agreement;*
- (l) KNNL would not be bound to pay any further compensation or claim to a third party, should any dispute arise between the Respondent/s (Claimant/s) and such person, in respect of ownership and claim of the acquired land;*



- (m) *KNNL has agreed to pay the costs to the Respondent/s (Claimant/s) which is equivalent to the Court fee paid by the Respondent/s. Consequently, KNNL is entitled for return of Court fee from Hon'ble Court, as per law;*
- (n) *KNNL has undertaken that the payment of agreed amount will be deposited directly to the account of the Respondent/s (Claimant/s) through the P.D. account of KNNL of the Chief Accounts Officer KNNL, Dharwad. (Head of Account "8443-00-106" as outlined in G.O No. AE 13 TAR 2023 Dtd:27-09-2024;*
- (o) *The present settlement shall not be considered either as a precedent or a policy decision or a proposal binding in KNNL for cases, other than the present matter referred to Mediation.*

The parties to this agreement have entered into this compromise voluntarily, on their own volition, without any coercion of misrepresentation and the contents of this agreement have been explained to and understood by the Respondent/s (Claimant/s) in vernacular as well."

14. The Mediation Agreement has been duly executed by the competent representatives of the parties. On behalf of the beneficiary, it is signed by the Executive Engineer, Karnataka Neeravari Nigam Limited (KNNL). On behalf of the State authorities, it bears the signatures of the Special Land Acquisition Officer and the Deputy Commissioner, both of whom have been duly identified by the learned High Court Government Pleader, who has also appended her



signature in token of such identification and authentication.

15. Insofar as the Claimants/land losers are concerned, respondent Nos.3(a), 3(b), 3(c), and 3(d) have affixed their signatures. All the said parties have been duly identified by their respective learned counsels, who have also signed the Mediation Agreement in confirmation thereof.
16. Learned counsel appearing for the petitioner, as well as learned counsel appearing for the respondents/claimants, jointly submit that the terms and conditions recorded in the Mediation Agreement fully and finally resolve all disputes inter se the parties. All parties undertake to abide by and perform their respective obligations strictly in accordance with the terms of the said Mediation Agreement, without demur or delay.
17. Accordingly, the following directions are issued governing the mode and manner of disbursement:
 - a. In cases involving a single claimant, the agreed amount shall be disbursed to the individual bank account of such claimant;



- b. In cases involving multiple claimants, the claimants shall open a joint bank account in the names of all such claimants;
 - c. The requisite bank account particulars, including all details necessary for electronic transfer through RTGS/NEFT, shall be furnished to the Special Land Acquisition Officer within a period of 21 (Twenty one) days from the date of receipt of certified copy of this order.
- 18. In the event the claimants (in cases of multiple claimants) are unable to open a joint bank account within the aforesaid period:
 - a. They shall, within a further period of 7 (seven) days thereafter, furnish a duly sworn affidavit along with an indemnity undertaking;
 - b. The affidavit shall clearly specify:
 - i. the agreed apportionment of the settlement amount; and
 - ii. the individual bank account details of each claimant;
 - c. The affidavit shall further stipulate that any disbursement made in accordance with such



particulars shall constitute full and final discharge of all liabilities of the respondents towards the claimants and any person claiming through or under them.

19. Upon receipt of:

- a. the bank account particulars under paragraph 17; or
- b. the affidavit and undertaking under paragraph 18;

the beneficiary, namely Karnataka Neeravari Nigam Limited, shall process and disburse the agreed amounts within a period of 120 (one hundred and twenty) days from the date of such receipt, by way of electronic transfer to the designated account(s).

20. Upon such payment being made within the stipulated period, Karnataka Neeravari Nigam Limited shall stand fully and finally discharged of all obligations under the Mediation Agreement.

21. In the event of failure to effect payment within the aforesaid period of 120 days:



- a. The claimants shall be at liberty to initiate execution proceedings on the basis of this order read with the Mediation Agreement;
- b. Such right of execution shall be without prejudice to the claimants' entitlement to statutory and/or agreed interest, which shall continue to accrue until the date of actual realisation.

22. Taking note of the submission of the learned counsel for the respondents/beneficiary that delay on the part of the claimants in furnishing requisite particulars should not result in avoidable financial exposure. It is directed that:

- a. In the event the claimants fail to furnish:
 - i. bank account particulars within 21 days (paragraph 17), or
 - ii. affidavit and undertaking within the extended 7 days (paragraph 18), or
- b. In the event payment is not effected within 120 days from the date of furnishing such particulars or affidavit, the beneficiary shall be



at liberty to deposit the agreed amount within a further period of 15 (fifteen) days:

- i. before the Executing Court, where execution proceedings are pending; or
- ii. before the Reference Court, where no execution proceedings are pending;
- c. Upon such deposit being made, the beneficiary shall be deemed to have validly complied with its obligations under the Mediation Agreement, and liability for further interest shall cease from the date of such deposit.

23. An apprehension has been expressed by the learned counsel for the claimants regarding possible deduction of tax at source (TDS) and issuance of Form 16A in respect of the compensation amounts. This issue is no longer res integra. This Court, in its earlier order dated 20.08.2025 in W.P.No.102884/2025 has categorically held that compensation awarded on account of compulsory acquisition of land is not subject to deduction of tax at source under the applicable provisions of the Income Tax Act. Accordingly, it is directed that all payments made pursuant to the Mediation



Agreement, whether to joint accounts or individual accounts, shall be effected without any deduction of tax at source.

24. The Mediation Agreement recorded herein shall form part of this order and shall be treated as a lawful settlement between the parties within the meaning of Section 89 of the Code of Civil Procedure, 1908 read with Order XXIII Rule 3 CPC. The said settlement shall operate in substitution of any award, judgment, or decree passed by the Reference Court and/or the Appellate Court. The concerned Courts are directed to draw up a decree in terms of the Mediation Agreement, as affirmed by this order, within a period of 60 (sixty) days from the date of receipt of a certified copy of this order.
25. This Court places on record its deep appreciation for the commendable efforts of Hon'ble Sri Justice A. V. Chandrashekhar, former Judge of this Court, who as Mediator, has facilitated an effective and result-oriented resolution of a long-pending dispute. The Court also acknowledges the constructive role played by the learned Advocate General, Sri Shashikiran Shetty; the learned Additional Advocate General, Sri Malhar Rao; the learned High Court Government



Pleader, Smt. Maya T. Rajanna; the learned Additional Government Advocate, Sri Sheshadri Jaishankar; and the learned counsel appearing for KNNL, namely, Ms. L.Mohini Bhatt, Sri. Sanjeev Kumar C. Patil, Sri. M.Sudarshan, and Sri. Sharanbasava Pastapur.

26. The Court further records its appreciation for the proactive engagement of the officers of KNNL, including the Managing Director, Sri Rajshekhar Aminabhavi; the Company Secretary, Sri Girish M. S.; the Head of the Legal Team, Sri Balraj S. Patil; and other officers, namely Sri Vijay Karosh and Sri S. H. Hiremath, who have contributed to the resolution in a pragmatic and solution-oriented manner.
27. The Court also places on record its appreciation for the learned counsel appearing for the claimants, led by Sri Harshavardhan R. Malipatil, along with Sri Shivshankar H. Manur, Sri Nagashetty G. Patil, Sri B. B. Ashtagi, Sri Vishal B. Ashtagi, Sri A. M. Biradar, Sri K. S. Sakri, Sri Manvendra Reddy, Sri Vaijanath Biradar, and Sri S. S. Sajjanshetty, for their constructive assistance and cooperation in facilitating the settlement.



28. Having regard to the fact that a substantial number of land acquisition matters, estimated to be in excess of 10,000 cases, are presently pending before this Bench, this Court expresses its earnest hope that a similar mechanism of mediated settlement may be explored and adopted in appropriate cases. Such an approach would not only reduce the burden of protracted litigation but would also ensure timely and equitable relief to land losers, while safeguarding the financial and administrative interests of the State and beneficiary authorities. The stakeholders who have contributed to the present settlement are expected to play a proactive role in extending this model to other pending matters.

Sd/-
(SURAJ GOVINDARAJ)
JUDGE

THM
List No.: 1 SI No.: 0