HC-KAR
NC: 2026:KHC-K:1946-DB
MFA No. 200609 of 2015
C/W MFA No. 200209 of 2015

IN THE HIGH COURT OF KARNATAKA

KALABURAGI BENCH

DATED THIS THE 26TH DAY OF FEBRUARY, 2026

PRESENT

THE HON'BLE MR. JUSTICE R.NATARAJ

AND

THE HON'BLE MR. JUSTICE TYAGARAJA N. INAVALLY

MISCL. FIRST APPEAL NO.200609 OF 2015 (LAC)
C/W
MISCL. FIRST APPEAL NO.200209 OF 2015

IN MFA No.200609/2015:

BETWEEN:

K.CHANDRASHEKHAR S/O MAHABOOBAJI RAO,
SINCE DECEASED BY HIS LRs.

1(A). K. YASHODABAI W/O K. CHANDRASHEKHAR,
AGE: 64 YEARS, OCC: HOUSEHOLD,

1(B). LAXMIKANT S/O LATE K. CHANDRASHEKHAR,
AGE: 45 YEARS, OCC:

BOTH R/O. H.NO.12-8-723, SIYATALAB,
PANDURANG SADAN, RAICHUR – 584 101.

1(C). RAJASHEKHAR S/O LATE K. CHANDRASHEKHAR,
AGE: 44 YEARS, OCC:
R/O. #ANJANADRI, 3RD CROSS, KODIGEHALLI,
VIRUPAKSHAPURA, BENGALURU – 560 097.

1(D). PAWAN S/O LATE K. CHANDRASHEKHAR
AGE: 41 YEARS, OCC:
R/O. H.NO.12-8-723, SIYATALAB,
PANDURANG SADAN,
RAICHUR – 584 101.

...APPELLANTS

(BY SRI. NARENDRA REDDY, ADVOCATE)

AND:

THE SPECIAL LAND ACQUSITION OFFICER
K.I.A.D.B, DHARWAD- 580 001.

...RESPONDENT

(BY SRI. SHIVAKUMAR R. TENGLI, ADVOCATE)

THIS MFA IS FILED U/S.54(1) OF THE LAND ACQUISITION ACT, PRAYING TO ALLOW THIS APPEAL AND TO MODIFY THE JUDGMENT AND AWARD DATED:03.02.2014 PASSED IN LAC NO.128/2008 ON THE FILE OF THE PRL. SENIOR CIVIL JUDGE AND CHIEF JUDICIAL MAGISTRATE AT RAICHUR AND GRANT ENHANCED COMPENSATION BY DETERMINING THE MARKET VALUE AT LEAST AT THE RATE OF RS.23,70,350/- PER ACRE TO THE APPELLANT WITH ALL STATUTORY BENEFITS AND INTERESTS THEREON AS PER LAW, EXPEDITIOUSLY, IN THE INTEREST OF JUSTICE.

IN MFA NO.200209/2015:

BETWEEN:

THE SPECIAL LAND ACQUISITION OFFICER,
K.I.A.D.B, DHARWAD.

...APPELLANT

(BY SRI. SHIVAKUMAR R. TENGLI, ADVOCATE)

AND:

1(A). K. YASHODHABAI W/O LATE K. CHANDRASHEKHAR, AGE: 68 YEARS, OCC: HOUSEHOLD,

1(B). LAXMIKANT S/O LATE K. CHANDRASHEKHAR, AGE: 49 YEARS, OCC: AGRICULTURE,

BOTH R/O. H.NO.12-8-723, SIYATALAB PANDURANG SADAN, RAICHUR.

1(C). RAJASHEKHAR S/O LATE K. CHANDRASHEKHAR, AGE: 48 YEARS, OCC: AGRICULTURE,

R/O. #ANJANADRI, 3RD CROSS,
KODIGEHALLI,
VIRUPAKSHAPURA, BENGALURU – 560 097.

1(D). PAVAN S/O LATE K. CHANDRASHEKHAR,
AGE: 49 YEARS, OCC: AGRICULTURE,
R/O. H.NO.12-8-723, SIYATALAB,
PANDURANG SADAN, RAICHUR.

...RESPONDENTS

(BY SRI. NARENDRA REDDY, ADVOCATE)

THIS MFA IS FILED U/S.54(1) OF THE LAND ACQUISITION ACT, PRAYING TO CALL FOR THE RECORDS IN L.A.C NO.128 OF 2008, ON THE FILE OF CHIEF JUDICIAL MAGISTRATE AT RAICHUR AND ALLOW THE APPEAL BY SETTING ASIDE THE JUDGMENT AND AWARD IN L.A.C NO.128/2008 DATED:03.02.2014, PASSED BY THE CHIEF JUDICIAL MAGISTRATE, RAICHUR, IN THE INTEREST OF JUSTICE AND EQUITY.

THESE APPEALS, COMING ON FOR HEARING, THIS DAY, JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE R.NATARAJ
AND
HON'BLE MR. JUSTICE TYAGARAJA N. INAVALLY

ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE R.NATARAJ)

MFA No.200209/2015 is filed by the beneficiary challenging the judgment and award passed by the Chief Judicial Magistrate, Raichur in LAC No.128/2018 dated 03.02.2015 while MFA No.200609/2015 is filed by the land loser challenging the quantum of compensation awarded in the aforesaid case.

2. (i) The land bearing Sy.No.172/2-A measuring 2 acres 25 guntas situated at Chikkasugur village, Raichur Taluk was acquired by the State Government for the benefit of the Karnataka Industrial Area Development Board (for short 'the KIADB Act') under the provisions of KIAD Act. The Land Acquisition Officer determined the market value of the land at Rs.7,100/- per acre. The land loser being aggrieved by the quantum of compensation sought a reference which was registered as LAC No.128/2008. The land loser claimed that the land in question was surrounded by several industries in a fast developing area and that the market value was more than Rs.20,00,000/- per acre. He also claimed that the land surrounding the acquired area was converted for non-agricultural/ residential purposes and the market value of a site measuring 30 ft. x 40 ft. was more than Rs.1,00,000/-.

(ii) The claim petition was contested by the beneficiary, who denied the contentions and claimed that the reference under Section 18(1) of the Land Acquisition Act was barred by limitation and that the lands acquired were dry lands in which only one crop was raised during the rainy season. It also contended that the award was passed after taking into account sales statistics for three years and rightly came to the conclusion that the market value of the acquired property was Rs.7,100/- per acre. It also contended that at the time of passing the award, there was no development in the acquired lands. Therefore, it was claimed that the compensation determined by the Land Acquisition Officer is just and proper.

(iii) The claimant/ land loser was examined as PW1 and he marked Exs.C.1 to C.4 and Exs.P1 to P19 but the beneficiary did not lead any evidence.

3. Based on the oral and documentary evidence, the reference Court considered Exs.P16, which was a sale deed of a site measuring 30 ft. x 40 ft. registered during 1996-1997 as an exemplar and arrived at the market value of Rs.2,74,500/- per acre. Being aggrieved by the same, the claimant as well as the beneficiary are in appeal.

4. During the pendency of this appeal, the claimant had filed additional documents, which were allowed by this

Court and a sale deed dated 15.10.2007 and a village map of Chikkasugur were marked as Exs.P20 and P21.

5. The learned counsel for the claimant contended that the preliminary notification was issued on 09.04.1992 while the final notification under Section 28(4) was issued on 14.11.1996 and an award was passed after 11 years on 17.04.2007. He contends that the claimant has been deprived of the value of the land as on the date of award, as the value of the land as on the date of the preliminary notification is taken into consideration. He also contends that once the final notification is issued under Section 28(4), the land vests in the State Government and hence the land loser is deprived of the usage of the land. He therefore contends that the compensation will have to be re-determined by taking into consideration the date of the award for the purpose of assessing the market value of the property, in view of the delay in passing the award. In support of this contention, he relied upon the judgment of the Hon'ble Apex Court in the case of ***Bernard Francis Joseph Vaz And Others v. Government of Karnataka and others,*** reported in ***AIROnline 2025 SC 100***, where it was held "*the market value of the acquired land as on 17.04.2007 has to be*

taken into consideration for determining the compensation". He submits that Ex.P21 is an exemplar sale deed in respect of a site measuring 30 ft. x 40 ft. situated at Chikkasugur Panchayat dated 15.10.2007, which was sold for a sum of Rs.3,00,000/-. He contends that if the same is taken as an exemplar, then the compensation awarded by the Tribunal deserves to be enhanced.

6. *Per contra*, the learned counsel for the beneficiary submitted that the claimant would be entitled to interest for the period commencing from the date of the preliminary notification till the date possession is taken. He contends that therefore there is no need to move the date of the preliminary notification to the date on which the award was passed. He contends that the interest of 12% under Section 23(1A) of the Land Acquisition Act, is much more than the rate of inflation and hence would adequately compensate the claimant. He submits that even if the contention of the claimant is taken into consideration, Ex.P20 does not relate to a site situated adjacent to the property of the claimant, but is situated far away and within the limits of the Panchayat and therefore these two properties are not comparable. Assuming that they are

comparable, he submits that 75% of the value of the land will have to be deducted towards development charges as per the Hon'ble Apex Court in the case of ***Bernard Francis Joseph Vaz (supra)***. Thus, he contends that there is no justification for the claimant to seek enhancement of the compensation. Alternatively, he submitted that the market value of the land in Chikksugur is between Rs.20,00,000/- and Rs.30,00,000/- lakhs per acre.

7. We have considered the submission made by the learned counsel for the claimant as well as the learned counsel for the beneficiary.

8. The fact that the land in question was proposed to be acquired in terms of a preliminary notification dated 09.04.1992 is not in dispute. The final notification was issued on 14.11.1996 and an award was passed after a period of 11 years i.e. on 17.04.2007 and possession of the land was taken on 08.01.2008. When there is an inordinate delay of 11 years in passing the award, it is inequitable to expect the land loser to accept compensation on the basis of market value of the acquired land as on the date of the preliminary notification. If

this is accepted, that would mean that he would not be entitled to the appreciation in the value of the property between 1992 to 2007. The purpose of paying compensation is to ensure that the land loser rehabilitates himself by purchasing an alternate land either in the same village or in any place nearby. Consequently, compensation awarded should not only be just but also reasonable. Due to burgeoning population, demand for land and residential properties has increased manifold and this would have proved financially productive for the landlosers. As seen from the records, Ex.P16 was a sale deed of a site measuring 30 ft. x 40 ft. sold in the year 1996 for a consideration of Rs.8,000/-, whereas a similar site in 2007 was sold for Rs.3,00,000/- as per Ex.P20. Therefore, it is evident that the land in Chikksugur village had potential for residential use. Be that as it may, the village map marked as Ex.P21 by the land loser shows that the acquired land lay close to the village limits with a road passing nearby and it is connected on the eastern side by the State Highway. Therefore, the possibility of the land in question being used for residential purposes cannot be ruled out.

9. As rightly contended by the learned counsel for the claimant, the claimant is entitled to the market value of the land as on the date when the award was passed i.e., on 17.02.2007. For this purpose, if we consider the sale deed marked as Ex.P20 as an exemplar, the value mentioned therein is Rs.3,00,000/- for a site measuring 30 ft. x 40 ft. However, we cannot lose sight of the fact that the exemplar sale deed was in respect of a property situated within the Panchayat limits. Therefore, the two properties cannot be compared. If we factor 50% of the values mentioned in Ex.P.20, then the rate per square feet of the acquired land would be Rs.125/-. The land in question does not lie within the limits of a planning authority. Therefore, the strict rules imposed by a planning authority towards setting apart civic amenity sites, parks and open spaces may not apply to the land in question. Besides this, the beneficiary has not established that in the Panchayat limits where the site sold under Ex.P20, lay within a layout that had the facility of civic amenities/park and open spaces etc. If the conversion charges, the cost of development of the layout, waiting period for sale of plots, the area to be utilized towards roads and drains is factored at 60%, then the land losers would

be entitled to compensation of land towards 40% of land at Rs.125/- per sq.ft. Consequently, we determine the compensation to which the claimants are entitled to as follows:

40% of 1 acre x Rs.125/- sq.ft. = 17424 x 125
= Rs.21,78,000/- per acre

This in our opinion would be just and reasonable compensation payable to the claimants.

10. In that view of the matter, the appeal filed by the beneficiary is ***dismissed***, while the appeal filed by the land loser is ***allowed in part*** and the compensation of Rs.2,74,500/- per acre determined by the Reference Court is enhanced to a sum of Rs.21,78,000/- per acre, payable by the beneficiary along with all benefits, interests and costs as applicable and as provided in law.

11. It is made clear that the beneficiary is bound to pay the compensation along with applicable interest from 08.01.2008 when possession of the property was taken over by it at the rate of 9% per annum for the first year and at the rate of 15% per annum till the date of payment.

12. The land loser is directed to pay the excess Court Fee, if any, payable within two weeks from the date of receipt of a copy of this order.

Sd/-
(R.NATARAJ)
JUDGE

Sd/-
(TYAGARAJA N. INAVALLY)
JUDGE

AMM/SBS
List No.: 1 Sl No.: 31