

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 5TH DAY OF JUNE, 2026

PRESENT

THE HON'BLE MRS. JUSTICE ANU SIVARAMAN

AND

THE HON'BLE MS. JUSTICE TARA VITASTA GANJU

MISCELLANEOUS FIRST APPEAL NO.6900 OF 2024 (LAC)
C/W

MISCELLANEOUS FIRST APPEAL NO.4129 OF 2024 (LAC)

IN MFA NO.6900/2024:

BETWEEN:

THE CHIEF OFFICER
PANDAVAPURA TOWN PANCHAYATH
PANDAVAPURA
MANDYA DISTRICT-571 434

...APPELLANT

(BY SRI. G. M. ANANDA, ADV.,)

AND:

- 1 . C. SATHYANARAYANA
S/O CHIKKADYAVEGOWDA
AGED ABOUT 66 YEARS
KASABA HOBLI
PANDAVAPURA-571 434
- 2 . THE SPECIAL LAND ACQUISITION OFFICER
PANDAVAPURA SUB-DIVISION

PANDAVAPURA-571 434

...RESPONDENTS

(BY SRI. NISHANTH A. V, ADV., FOR R1;
SMT. RADHA RAMASWAMY, AGA FOR R2)

THIS MFA IS FILED UNDER SECTION 54(1) OF THE LAND ACQUISITION ACT, AGAINST THE JUDGMENT AND AWARD DATED 07.10.2021 PASSED IN LAC.NO. 74/2014 ON THE FILE OF THE ADDITIONAL SENIOR CIVIL JUDGE AND JMFC AT PANDAVAPURA, PARTLY ALLOWING THE REFERENCE PETITION FILED UNDER SECTION 18(1) OF LAND ACQUISITION ACT.

IN MFA NO.4129/2024:

BETWEEN:

THE CHIEF OFFICER
PANDAVAPURA TOWN PANCHAYATH
PANDAVAPURA
MANDYA DISTRICT-571 434

...APPELLANT

(BY SRI. G. M. ANANDA, ADV.,)

AND:

- 1 . SMT. JAYAMMA
W/O LATE KRISHNEGOWDA
AGED ABOUT 63 YEARS

- 2 . DEEPU
S/O LATE KRISHNEGOWDA
AGED ABOUT 39 YEARS

- 3 . SANTHOSH
S/O LATE KRISHNEGOWDA
AGED ABOUT 37 YEARS
ALL ARE R/AT JAYANAGARA LAYOUT
KRISHNARAJAPETE TOWN
KRISHNARAJAPETE TQ.
MANDYA DISTRICT-571 426
- 4 . THE SPECIAL AND ACQUISITION OFFICER
OFFICE OF THE ASSISTANT COMMISSIONER
PANDAVAPURA
MANDYA DISTRICT-571 434
- 5 . THE CHIEF SECRETARY
GOVT. OF KARNATAKA
REVENUE DEPARTMENT
M.S. BUILDING
BENGALURU-560 001
- 6 . THE DEPUTY COMMISSIONER
MANDYA DISTRICT
MANDYA-571 401
- 7 . THE EXECUTIVE ENGINEER
KARNATAKA URBAN WATER SUPPLY AND
SEWAGE BOARD, MANDYA DIVISION
BANDIGOWDA LAYOUT
MANDYA-571 401
- 8 . CHIEF ENGINEER

KARNATAKA URBAN WATER SUPPLY AND
DRAINAGE BOARD, JALA BHAVAN
NO.6, 1ST STAGE, 1ST PHASE
BTM LAYOUT, BANNERUGHATTA ROAD
BENGALURU-560 029

...RESPONDENTS

(BY SRI. NISHANTH A. V, ADV., FOR R1 TO R3;
SMT. RADHA RAMASWAMY, AGA., FOR R4 TO 6;
SRI. C. CHANNEGOWDA, ADV., FOR R7;
SMT. SUMANGALA GACHCHINAMATH, ADV., FOR R8)

THIS MFA IS FILED UNDER SECTION 54(1) OF LAND ACQUISITION ACT, AGAINST THE JUDGMENT AND AWARD DATED 27.11.2020 PASSED IN LAC NO.02/2016 ON THE FILE OF THE SENIOR CIVIL JUDGE AND JMFC, PANDAVAPURA, PARTLY ALLOWING THE REFERENCE PETITION U/S.18(1) OF LAND ACQUISITION ACT.

THESE MISCELLANEOUS FIRST APPEALS HAVING BEEN HEARD AND RESERVED FOR JUDGMENT ON 06.04.2026 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.6900/2024 is filed challenging the Judgment dated 07.10.2021 passed by the Additional Senior Civil Judge and JMFC, at Pandavapura in L.A.C.No.74/2014 and MFA No.4129/2024 is filed challenging the Judgment dated 27.11.2020 passed by the Senior Civil Judge and JMFC, at Pandavapura in L.A.C.No.2/2016.

2. We have heard Shri. G.M. Ananda, learned counsel appearing for the appellant in both the appeals, Shri. Nishanth A.V, learned counsel appearing for the private parties, Smt. Radha Ramaswamy, learned Additional Government Advocate appearing for the State and Shri. C. Channegowda, learned counsel appearing for the Karnataka Urban Water Supply and Sewage Board.

3. The appellant in MFA No.6900/2024 submits that the land bearing Sy.No.71/2 measuring 0-30 guntas of Pandavapura Village, Kasaba Hobli, Pandavapura Taluk, was acquired for construction of an Underground Drainage Water

Treatment Plant. The Preliminary Notification was issued on 02.07.2009 and Final Notification was issued on 17.08.2010. Similarly, in MFA No.4129/2024, the land bearing Sy.No.71/1 measuring 0-13.12 guntas of Pandavapura Village, Kasaba Hobli, Pandavapura Taluk, was acquired for the same purpose. The Preliminary Notification was issued on 23.07.2009 and Final Notification was issued on 07.09.2010. Pursuant thereto, an Award dated 23.05.2011 was passed by the Special Land Acquisition Officer (SLAO) granting compensation of Rs.2,79,040/- per acre. Reference Application under Section 18 of the Land Acquisition Act, 1894 was preferred seeking enhancement of compensation at the rate of Rs.20,000/- per square feet. The matter was heard and the Reference Court enhanced the compensation awarding Rs.375/- per square feet, which is under appeal.

4. It is contended that the Reference Court enhanced the compensation without any proper material being placed on record. It is contended that the land in question is an agricultural land and that the material

produced by the appellant before the Reference Court have not been considered at all.

5. It is further contended that the Reference Court failed to note that the market value prescribed by the SLAO and enhanced the compensation without considering the same. Further, the land losers led no documentary evidence of market value as on the date of the Preliminary Notification, and no independent evidence relating to lands proximate to the acquired property, therefore, in such absence the Court ought to have adopted the Government prescribed value. Adopting per square feet valuation for unconverted agricultural land is unjustified.

6. It is further contended that the land is an agriculture land and the Competent Authority has not converted it for any commercial purpose. The acquisition is for a public purpose, that is, the construction of an underground drainage/sewage water treatment plant and the appellant derives no income from it. The Reference Court placed reliance on the judgment of this Court in ***Rathna Vasudev v. Special Land Acquisition Officer,***

Pandavapura passed in **M.F.A.No.6146/2011** on **02.01.2012**, where the subject land was not comparable to Pandavapura in either location or value. Further, the Reference Court overlooked that land measuring 42 guntas in Sy.No.70/1, acquired under the very same notification, was compensated at Rs.2,79,040/- per acre. Further, the claimants have received the award amount and having accepted it, therefore, they have no right to seek enhancement and the Reference ought to have been rejected.

7. On the other hand, the learned counsel appearing for the land loser would contend that the property in question is situated within the boundaries of the Pandavapura Town and has immense commercial potential. It is further contended that the Reference Court had relied on the judgment in LAC No.2/2016, where the land was acquired for a similar purpose under a similar notification and is adjacent to the land in question.

8. We have considered the contentions advanced. We notice that the Reference Court has considered the location and potentiality of the land in question. It was found that the award was based on three Sale Deeds registered preceding the date of the Preliminary Notification in respect of agricultural lands above the extent of 10 guntas and taking the average sale consideration from the said documents. It was found that the property involved in the instant cases was agricultural land within the limits of the Pandavapura City Municipality and surrounded by both agricultural and commercial properties. The documentary evidence produced by both sides was taken into account. It was found that in LAC No.2/2016, the acquisition was for construction of the sewage treatment plant. Preliminary Notification was dated 23.07.2009 and final notification dated 07.09.2010. Award was passed on 23.05.2011 fixing compensation at Rs.2,79,040/- per acre after considering the potentiality of the land in question and the judgments of this Court in MFA No.6146/2011 and MFA No.11008/2011,

the reference court has enhanced the compensation to Rs.375/- per square feet.

9. Having considered the contentions advanced and in view of the documents produced, we are of the opinion that the contention raised by the appellant that the award of compensation at Rs.375/- per square feet in respect of the property is exorbitant cannot be accepted. Though, it is true that the property in question was agricultural in nature, it is not disputed that the property was well within the limits of the Pandavapura Town Municipality. The very purpose for which the land was acquired would make this aspect clear.

10. The further contention raised by the appellant that the materials placed on record by the appellants were not considered also cannot be accepted. The Reference Court has considered the potentiality of the property as well as the contentions of the appellants as well as the materials placed on record by them. It is on an appreciation of the materials on record that the Reference Court has come to the conclusion that the fixing of compensation at Rs.375/-

per square feet is justified even if the property is agricultural in nature, in view of its location within the Town Municipality and its potentiality. The said aspect stands covered by the following judgments:-

- (a) In ***Union of India v. Dyagala Devamma and others*** reported in **(2018) 8 SCC 485**, the Apex Court held that the Court should take into consideration the potentiality of the acquired land apart from other relevant considerations. It was also held that the Courts can apply reasonable amount of guesswork to balance the equities in order to fix a just and fair market value in terms of the parameters specified under Section 23 of the 1894 Act.
- (b) In ***Sabhia Mohammed Yusuf Abdul Hamid Mulla (Dead) by LRs and others v. Special Land Acquisition Officer and others*** reported in **(2012) 7 SCC 595**, it was held that it is settled law that while fixing the market value of

the acquired land, the Land Acquisition Officer is required to keep in mind the following factors:-

- (i) Existing geographical situation of the land.
 - (ii) Existing use of the land.
 - (iii) Already available advantages like proximity to National or State Highway or road and/or developed area.
 - (iv) Market value of other land situated in the same locality/village/area or adjacent or very near the acquired land.
- (c) In ***Atma Singh (Died) through LRs and Others v. State of Haryana and others*** reported in ***(2008) 2 SCC 568***, the Apex Court at paragraph No.5 held as follows:-

"5. For ascertaining the market value of the land, the potentiality of the acquired land should also be taken into consideration. Potentiality means capacity or possibility for changing or developing into state of actuality. It is well settled that market value of a property has to be determined having due regard to its existing condition with all its existing advantages and its potential possibility when led out in its most advantageous manner. The question

whether a land has potential value or not, is primarily one of fact depending upon its condition, situation, user to which it is put or is reasonably capable of being put and proximity to residential, commercial or industrial areas or institutions. The existing amenities like water, electricity, possibility of their further extension, whether near about town is developing or has prospect of development have to be taken into consideration. It has been held in Kausalya Devi Bogra v. Land Acquisition Officer and Suresh Kumar v. Town Improvement Trust that failing to consider potential value of the acquired land is an error of principle."

11. In the instant case as well, on going through the materials available on record, it is clear that the property was situated within the limits of the Pandavapura City Municipality and had good commercial potential. The said aspect has been taken into account by the Reference Court. We are of the opinion that the fixation of the market value at Rs.375/- per square feet taking into account the potential of the land in question cannot be said to be erroneous.

12. In the above view of the matter, the appeals fail and the same are accordingly ***dismissed***.

All pending interlocutory applications shall stand *disposed of*.

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

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

cp*