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NON-REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO.1388 OF 2013

NANDI INFRASTRUCTURE CORRIDOR ENTERPRISES LTD. & ANR. **...APPELLANT(S)**

VERSUS

B. GURAPPA NAIDU & ORS. **…RESPONDENT(S)**

WITH

CIVIL APPEAL NO. 1354 OF 2013

J U D G M E N T

ARAVIND KUMAR, J.

1. The Judgment Debtors, namely *Nandi Infrastructure Corridor Enterprises (N.I.C.E.) and Nandi Economic Corridor Enterprises*[1], and the Decree Holders, namely *Sri B. Gurappa Naidu and Smt. Sunitha*[2], are before this Court

[1] **Both the Judgment Debtors are together hereinafter referred to as the 'N.I.C.E'.**
[2] **Hereinafter referred to as the Decree Holders.**

in Civil Appeal No. 1388 of 2013 and Civil Appeal No. 1354 of 2013, respectively, assailing the judgment dated 12.09.2012 passed by the High Court of Karnataka[3] in Writ Petition. No. 21068 of 2012[4]. By the impugned judgment, the High Court modified the order dated 31.05.2012 passed by the V Additional City Civil Judge, Bengaluru[5], in Execution Petition No. 2237 of 2009[6], whereby the value of the property bearing Survey No. 122 (New Survey No. 272/2) of Kengeri Village, Kengeri Hobli, Bengaluru South Taluk, measuring 3 acres 6 guntas out of a total extent of 6 acres 10 guntas[7], which had been determined at Rs.1,000/- per square feet came to be reduced to Rs.500/- per square feet.

2. *Civil Appeal No. 1388 of 2013*, filed by Nandi Infrastructure Corridor Enterprises (N.I.C.E.), assails the determination of compensation payable in respect of the schedule land at the rate of Rs.500/- per square foot and seek for reduction. On the other hand, *Civil Appeal No. 1354 of 2013*, preferred by

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[3] Hereinafter referred to as the 'High Court'.
[4] Hereinafter referred to as the 'Impugned Judgment'.
[5] Hereinafter referred to as the 'Executing Court'.
[6] Hereinafter referred to as the 'Execution Petition'.
[7] 3 Acre 6 guntas out of 6 Acre 10 guntas of Survey No. 122 (New Survey No. 272/2), of Kengeri Village, Kengeri Hobli, Bengaluru South Taluk i.e. the Property for which the guideline value has been determined is hereinafter referred to as the 'Schedule Land' or 'AA Schedule property'.

the Decree Holders, challenges the fixation of compensation at Rs.500/- per square foot and seeks restoration of the valuation as fixed by Executing Court at Rs.1,000/- per square feet, on the basis of the guideline value determined under the Karnataka Stamp Act, 1957.[8]

PART-I

BRIEF FACTS:

3. As the case involves a lengthy history, it is discussed in brief in this section under various sub-heads forming a part of this section, which as under:

A. **THE ALLOTMENT OF LAND TO N.I.C.E FOR EXECUTION OF BANGALORE – MYSORE INFRASTRUCTURE CORRIDOR PROJECT (BMICP):**

4. A Framework Agreement was executed between Nandi Infrastructure Corridor Enterprises (N.I.C.E.) and the Government of Karnataka for the execution of the *Bangalore Mysore Infrastructure Corridor Project (hereinafter referred to as "the BMICP")* under an agreement dated 03.04.1997. Among the several parcels of land allotted to N.I.C.E. for implementation of the said project, the lands belonging to the Decree Holders, namely

[8] **Hereinafter referred to as the 'Guideline Value'.**

the schedule land admeasuring 3 acres 6 guntas out of a total extent of 6 acres 10 guntas in Survey No. 122 (New Survey No. 272/2), Kengeri Village, Kengeri Hobli, Bengaluru South Taluk was also allotted to N.I.C.E by the Government. The said land was earmarked for the construction of a ramp of Interchange No. 5/7 on Mysore Road, and construction activities in that regard were initiated in the year 2006.

5. Though the schedule land was initially classified as agricultural land, the same was subsequently converted for industrial use on an application made by the owner, pursuant to an order dated 05.11.2004 passed by the competent authority.

B. THE SUIT FILED BY *N.I.C.E* AGAINST THE DECREE HOLDERS AND THE COMPROMISE ENTERED BETWEEN THE PARTIES.

6. Alleging interference with the implementation of the BMICP, *N.I.C.E* instituted a suit in O.S. No.4691 of 2006[9] before the City Civil Court, Bengaluru against the Decree Holders seeking the prayer of permanent injunction restraining the Decree Holders from interference with the implementation of BMIC project. The parties to the Suit,

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[9] **Hereinafter referred to as 'the Suit'.**

later entered into a Memorandum of Settlement dated: 10.08.2007[10].

7. As per the MOS, the parties agreed as follows:

a) Decree Holder No. 2 i.e. Smt. Sunitha, was acknowledged as the absolute owner in possession of the Schedule 'A' property comprising of 6 acres 10 guntas in Survey No. 122 (New Survey No. 272/2), Kengeri Village, Kengeri Hobli, Bengaluru South Taluk and the N.I.C.E expressly relinquished all right, title, and interest therein.

b) However, to facilitate completion of the Bangalore–Mysore Infrastructure Corridor Project, particularly the ramp of Interchange No. 5/7 on Mysore Road (SH-17). Decree Holder No. 2 permitted N.I.C.E to enter upon and utilize the schedule land i.e. 3 acres 6 guntas of the Schedule 'A' land and the same was referred to Schedule 'AA' for interchange development, while retaining possession and enjoyment of the remaining portion i.e. 3 acre 4 guntas which was referred to as Schedule 'AAA' property.

c) In consideration thereof, the N.I.C.E agreed to convey, by way of exchange, an extent of 6 acres 10 guntas in land

[10] Hereinafter referred to as the 'Memorandum of Settlement' or 'MOS' or 'Settlement'.

bearing Sy Nos 164/4, 164/5 & Sy No 165 of Kengeri Village, Bangalore South Taluk which was described in Schedule 'B' to Decree Holder No.2. N.I.C.E agreed to bear all stamp duty and registration charges, and to ensure access and infrastructure facilities, subject to detailed conditions relating to conveyance, possession, contingencies, and timelines.

d) The settlement records that N.I.C.E had already acquired title to an extent of 4 acres 34 guntas forming part of Sy. Nos. 164/4 and 164/5 of Kengeri Village through KIADB under a registered sale deed dated 11.05.2004. They further undertook to obtain conveyance of the remaining extent of 1 acre 16 guntas in Sy. No. 165 from the Government under a registered instrument. In the event of failure to secure such conveyance, the plaintiffs bound themselves to convey an equivalent extent of land in any other survey number of Kengeri Village at Interchange No. 5/7, Mysore Road, having road frontage and access to all amenities. Upon securing full title, the N.I.C.E, agreed to convey the entire Schedule 'B' property to Decree Holder No. 2 by way of exchange and to place her in possession within a period of 24 months, followed by execution of a formal deed of exchange vesting absolute title of Schedule

‘A’ property in the plaintiffs and Schedule ‘B’ property in Defendant No. 2.

e) It was further agreed that, in consideration of the exchange option, the plaintiffs paid a sum of Rs. 25,00,000/- to Defendant No. 2 towards the value of existing trees, horticultural crops, structures, and appurtenances, subject to realization of the cheque, and Defendant No. 2 waived any future claim for compensation or alteration of structures thereafter.

f) The settlement provided detailed contingencies: one among which was clause (xiii) which is as follows:

> *“(xiii) In the event of the Plaintiffs not being able to acquire title to 6 Acres and 10 Guntas of land in one block and to convey the same to the Second Defendant under a deed of Exchange, the second defendant shall continue to retain the ownership of the land described in schedule AAA and shall be entitled to develop the same and continue to enjoy the same as absolute owner thereof in the manner she likes. In such an event, the Plaintiffs shall pay to the second defendant the value of the property described in the Schedule AA at the guideline value fixed by the Government as on today[11] and shall obtain conveyance of the same from the second defendant at the cost of the plaintiffs.”*

g) In such an event, Decree Holder No. 2 would refund Rs. 12,50,000/- out of the compensation amount, retaining the balance. The agreement also safeguarded title by

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[11] **The State of Karnataka notification dated: 17.04.2007 was prevalent at that point in time, which had fixed the Guideline value of the immovable property.**

obligating Decree Holder No. 2 to resolve third-party claims over specified portions, failing which the plaintiffs were entitled to proportionately reduce the extent of Schedule 'B' land to be conveyed, thereby ensuring enforceability of the exchange arrangement.

8. The suit was disposed of in terms of the aforesaid settlement vide Judgment and Decree dated: 20.08.2007. Though the terms of the settlement have not been reproduced *verbatim* except for clause (xiii), the substance thereof has been indicated. Reference to the specific terms of the settlement shall be made, wherever necessary, for the purpose of adjudication of the present dispute.

C. AFTERMATH OF THE COMPROMISE: EXECUTION PETITION AND THE LEGAL BATTLES BETWEEN THE PARTIES.

9. The Decree Holders filed an Execution Petition before the Executing Court contending that Despite having initially acquired only 4 acres 34 guntas and undertaking to secure and convey the balance 1 acre 16 guntas so as to make up the agreed 6 acres 10 guntas of Schedule B land at Kengeri Village, the judgment debtors failed to obtain, convey, or develop the entire land within the stipulated period. Consequently, under the decree, they became liable to pay the guideline value of 3 acres 6 guntas retained by them in Sy. No. 122 (New Sy. No. 272/2) i.e. Schedule Land, after

adjusting Rs. 12,50,000/- from the Rs. 25,00,000/- already paid; although notices demanding compliance were issued and acknowledged.

9.1. The Decree Holders further contended that the judgment debtors expressed their inability to convey land at Kengeri and instead proposed alternate land at Kommaghatta Village which according to the Decree Holders was contrary to the decree. As the Schedule Land stood converted for non-agricultural industrial use and was assessed to municipal tax, the Decree Holders contended that they are entitled to the guideline value of the property which according to them was Rs. 1,000/- per square feet, aggregating to Rs. 13,72,14,000/-, and the decree holders, alleging default by the judgment debtors, sought recovery of the said amount along with interest at 12% per annum.

10. After the service of summons, the Judgment Debtors i.e. N.I.C.E entered their appearance and filed their objections contending that the execution petition was misconceived, not maintainable, and an abuse of process, as the compromise decree dated 20.08.2007 did not contain any direction for payment of any monetary amount or interest and merely records reciprocal, conditional obligations for exchange of immovable properties, which the Executing

Court cannot convert into a money decree. They assert that their obligation to convey Schedule 'B' land was contingent upon securing title to Sy. No. 165, which could not be obtained due to circumstances beyond their control, and that the option under Clause (xiii) to pay guideline value was discretionary and never exercised, giving rise to no enforceable monetary claim.

10.1. It was further contended that the decree holders themselves breached the settlement by delaying withdrawal of the criminal complaint and adopting a *mala fide* interpretation of the compromise, while the judgment debtors, without prejudice, express readiness and willingness to convey an alternative contiguous extent of 6 acres 10 guntas in Kengeri Village in full satisfaction of the decree.

11. The Executing Court, by order dated 19.03.2010, dismissed the Execution Petition filed by the Decree Holders on the ground that the compromise decree was not a money decree. Aggrieved thereby, the Decree Holders preferred Civil Revision Petition No. 166 of 2010 before the High Court. The High Court, by judgment and order dated 09.12.2010, set aside the order of dismissal and directed restoration of the Execution Petition, accepting the contention of the Decree Holders that, since the Judgment Debtors had

already utilised the schedule land, they were liable to pay the guideline value as indicated in the Memorandum of Settlement (MoS) in terms of Clause (xiii) thereof. The High Court further directed the Executing Court to determine the guideline value payable to Decree Holder No. 2 by Judgment Debtors in accordance with Clause (xiii) of the MOS.

12. Upon restoration of the Execution Petition, the Judgment Debtors sought further time to execute the decree. The said request was declined by the Executing Court by order dated 25.02.2012, whereupon N.I.C.E. assailed the same before the High Court by filing W.P. No. 7521 of 2012. The High Court, by order dated 08.03.2012, disposed of the said writ petition, once again directing the parties to assist the Executing Court in determining the guideline value of the property.

13. The Judgment Debtors assailed the order passed by the High Court in C.R.P. No. 166 of 2010 before this Court by filing S.L.P. (C) No. 10633 of 2012. This Court, by order dated 09.04.2012, dismissed the said Special Leave Petition with the following observation:

> *"In the course of submissions, Mr Dushyant Dave, learned senior counsel for the petitioners, submitted that the petitioners shall pay to the respondent No 2 (second defendant) the value of the property described in Schedule AA at the guideline value fixed by the Government as on the date of compromise deed as*

provided in clause (xiii) in the Memorandum of Settlement.

Let the executing court determine the value of the land in terms of clause (xiii) of the Memorandum of Settlement as expeditiously as may be possible. The petitioners shall pay the amount so determined within eight weeks from the date of determination by the executing court.

If any amount has been paid as per the agreement to the respondent No 2, the same shall be adjusted in the amount that may be determined by the executing court."

14. The aforesaid observation of this Court constituted the final determination on the entitlement of the Decree Holders to the amount payable, which was required to be determined by the Executing Court in accordance with the guideline value of the schedule land as fixed by the Government and prevailing on the relevant date, namely, the date on which the parties had entered into an amicable settlement.

PART-II

THE GUIDELINE VALUE DETERMINATION: THE GOVERNING NOTIFICATION FOR DETERMINATION OF GUIDELINE VALUE, THE ARGUMENTS ADVANCED BY THE PARTIES REGARDING THE CALCULATION OF THE GUIDELINE VALUE BEFORE THE EXECUTING COURT, THE JUDGMENT OF THE EXECUTING COURT AND THE HIGH COURT.

15. In the previous section, we have reproduced the factual background which is relevant for the determination of the

current issue; now, before we proceed to record the submission of the parties raised before this Court and analyse the correctness of the impugned order, we deem it proper to dwell upon the notification governing the determination of the guideline value - which forms the basis to determine the amount to which the Decree Holders would be entitled to, the submissions regarding the guideline value raised before the Executing Court requires to be noted to understand the stand of each party with reference to the guideline value.

A. THE GOVERNING NOTIFICATION:

16. The parties, while entering into the settlement, agreed that in the event of default by the Judgment Debtors in transferring the 'B Schedule' land in favour of Decree Holder No. 2, as agreed, the Judgment Debtors would compensate Decree Holder No. 2 by payment of an amount equivalent to the guideline value prevailing at the time of the settlement in respect of the 'AA Schedule' land, namely, 3 acres 6 guntas out of a total extent of 6 acres 10 guntas in Survey No. 122 (New Survey No. 272/2), Kengeri Village, Kengeri Hobli, Bengaluru South Taluk. In that regard, both parties placed reliance on the notification dated 17.04.2007[12] issued by the

[12] **Hereinafter referred to as 'the Notification'.**

Government of Karnataka for determination of the value of the land.

17. The said notification fixes the guideline value for properties situated in Survey No. 122 of Kengeri Village, wherein the schedule land is located which is as follows:

The villages of the Kengeri Hobli

The Guideline value of the immovable properties falling under the jurisdiction of the office of the Sub-Registrar Kengeri Bangalore Urban District

Sl No	The Villages subjected to the jurisdiction of the office of the Sub Registrar Kengeri	BDA and BMRDA Layouts	Housing Co-Operative Layouts	Converted Sites	Sites under the jurisdiction of BBMP and City Municipal council	Original Gramatana Sites	Agricultural land per acre (Rs In Lakhs)
1	2	3	4	5	6	7	8
1	Kengeri	1000	1000	800	800		100
	Survey Numbers abutting the Bangalore Mysore State Highway 15 16 17 18 19 20 24 27 28 37 38 40 43 44 45 46 46/1 46/2 46/3 47 47/2 48/4 50 58 59 95 95/1 95/2A1 95/2B 95/3 104 105 122 126 128/1 128/2AB 128/3AB 128/4AB 128/5 128/6 129 129/1B1 132 133 133/2A 133/2B 134 137 137/3 143 149 150 151 152 153 155 156 157 159 160 175 177 178 183 231 232 233 234 235 237 253						125

18. Along with the guideline value as mentioned above, the notification also had some Special Instructions which was also supposed to be considered for the determination of the guideline value as mentioned in those particular instructions. Some of the important Special Instructions are as follows:

"1. The following rate has to be fixed in the case the property, which has been converted but not been fully developed is alienated in favour of third parties:

a	for residential purpose	50% of the land value
b	for Commercial purpose	60% of the land value
c	for Industrial purpose	25% of the land value

2. For the properties which have not been specified in the Rates List and abutting to the National and State Highway,

the value to be fixed at 50% and 25% respectively more than the value of the other properties.

6. The rate for residential sites has to be followed for the industrial areas as already been notified in the guideline Excluding this area, for all other industrial sites, 50% of the residential sites value has to be fixed."

B. ARGUMENTS OF THE PARTIES BEFORE THE EXECUTING COURT REGARDING DETERMINATION OF GUIDELINE VALUE OF THE SCHEDULE LAND:

19. After examining the notification governing the determination of the guideline value, The Decree Holders before the Executing Court contended as follows:

19.1. It was contended on behalf of the decree holders that the entire land bearing Sy. No. 272/2, including the extent of 3 acres 6 guntas in respect of which the judgment debtors were stated to be liable, stood converted for non-agricultural industrial purposes and had been assessed to municipal tax by the Town Municipal Council, Kengeri, which later fell within the jurisdiction of the BBMP. On that basis, the decree holders asserted that the guideline value fixed by the Government was Rs. 1,000/- per square foot and that the total amount payable worked out to Rs. 13,72,14,000/- for an extent of 1,37,214 square feet, together with interest at 12% per annum from the date it became payable, as already demanded by notice. It was

urged that the execution petition had been filed for recovery of the said amount on the footing that the land was urban in character, industrially developed, and equipped with all civic amenities.

19.2. In support of the said contention, the decree holders relied upon licences issued by the then City Municipal Council, Kengeri, permitting industrial activity and construction with financial assistance from UCO Bank, power connections granted by BESCOM, and tax assessments made by BBMP. A detailed memo of calculation was placed on record to show that, as per the Government Notification dated 17.04.2007, the base value of Rs. 800/- per square feet applicable to properties within municipal limits and the same also attracted an addition of 25% of the base value as the property is abutting the state highway, thereby justifying the rate of Rs. 1,000/- per square foot which was claimed. It was also contended that upon conversion of land for non-agricultural purposes, the provisions of the Land Revenue Act ceased to apply and such lands were required to be treated as converted urban lands for the purpose of valuation, warranting fixation of value as claimed by the decree holders.

20. In reply to the stand taken by the Decree Holders, the Judgment Debtors appeared before the Executing Court and contended as follows:

20.1. That as per the notification, the judgment debtors relied upon paragraph 1 of the special instructions to the notification relating to fixation of *guideline value* issued by the competent authority and submitted that the appropriate guideline value of the land in question ought to be Rs. 1,56,25,000/- per acre. It was contended that paragraph 1 of the guideline value notification specifically dealt with fixation of land rates in respect of agricultural lands which had been converted for residential, commercial, or industrial purposes but had not been fully developed. The relevant provision stipulated that where such converted but undeveloped land was alienated in favour of third parties, the rate to be applied would be 50% of the land rate for residential purpose, 50% for commercial purpose, and 25% for industrial purpose.

20.2. On the basis of the said provision, the judgment debtors stand was that the land in question was originally an agricultural land, converted for industrial use in the year 2004, but had never been developed in fact. It was asserted that the land lacked civic amenities such as water

supply and drainage, no layout of sites had been formed, and even the surrounding areas within a radius of about one kilometre remained undeveloped. It was further submitted that the Government had fixed the guideline value for agricultural lands abutting the State Highway at Rs. 1.25 crore per acre, and by adding 25% thereto under Special Instruction paragraph 1(c) of the guidelines on account of industrial conversion, the value would come to Rs. 1,56,25,000/- per acre which would be, approximately Rs. 350/- per square foot.

C. <u>ORDER PASSED BY THE EXECUTION COURT:</u>

21. The Executing Court, upon examination of the material available on record and on consideration of the aforesaid notification, held that the Decree Holders were entitled to compensation at the rate of Rs. 1,000/- per square foot in respect of the schedule land; however, it declined to grant interest on the said amount. The Executing Court recorded the said conclusion for the following reasons:

21.1. ***Firstly,*** the Executing Court held that Clause (xiii) of the Memorandum of Settlement**,** recorded under Section 89 CPC and incorporated into the compromise decree dated 20-08-2007, expressly required the judgment debtors to pay the value of Schedule 'AA' property strictly as per

the Government guideline value prevailing on the date of settlement (10-08-2007)**.** The court emphasized that neither party disputed the applicability of guideline value, and therefore the determination had to be confined to the official Government notification, not private estimates or subsequent market fluctuations.

21.2.***Secondly,*** the court examined the character and location of the Schedule 'AA' land and found that it was not agricultural land as claimed by the judgment debtors. Evidence showed that the land was converted for non-agricultural/industrial use and was situated within the limits of Kengeri City Municipal Council (later BBMP) and the Decree Holders had an industrial licence, power connection, building permission, tax assessments, and access to civic amenities, and abutted a State Highway. In light of these factors, the court rejected valuation on a per-acre agricultural basis and treated the land as urban, converted property, justifying valuation on a per-square-foot basis as fixed under the Notification**.**

21.3.***Thirdly***, the Executing Court relied on the Karnataka Gazette Notification dated 17-04-2007, which prescribed Rs. 800 per sq. ft. as the base guideline value for converted land within City Municipal Council limits, with an additional enhancement of 25% where the land

was converted and situated in urban municipal areas. Applying this statutory enhancement, the Court mathematically arrived at the value of the land @ Rs. 1,000 per sq. ft. and held that this rate squarely fell within Column 6 of the Gazette notification applicable as on the date of compromise. The court specifically rejected the judgment debtors' attempt to apply rates fixed for agricultural land at per-acre valuation as being contrary to the notification.

21.4. ***Finally,*** the court reasoned that equity and contractual fairness required acceptance of the Rs. 1,000 per sq. ft. rate. The decree holder had permanently lost valuable land under the compromise, while the judgment debtors an experienced infrastructure company had full knowledge of the land's potential and guideline framework at the time of settlement. The court observed that, had the judgment debtors developed and sold the land as sites, they would have realized even higher value. Their prolonged delay in payment since 2007 further weighed against them. Accordingly, the court concluded that Rs. 1,000 per sq. ft. represented the correct, lawful, and just compensation, fully aligned with the Government guidelines and the intent of the compromise decree.

D. THE IMPUGNED ORDER

22. The Judgment Debtors challenged the order of the Executing Court before the High Court by filing a Writ Petition. No. 21068 of 2012, raising similar contentions which were raised before the Executing Court. During the pendency of the Writ Petition before the High Court, the High Court vide order dated: 01.08.2012 impleaded the State of Karnataka, represented by its Revenue Secretary holding that the Notification does not fix a guideline value for a land that has been converted for industrial use and therefore only the State can clarify regarding the guideline value of such a property. The High Court further directed the Govt. Advocate appearing for the State to make his submissions regarding the issue of fixation of guideline value on obtaining instructions.

23. Pursuant to the above direction, the State of Karnataka filed its Statement of Objections as follows:

23.1. It was contended that pursuant to the directions of the High Court, the State was impleaded to place the valuation of the land on record. In compliance with the Court's order, the Inspector General of Stamps directed a spot inspection, which was carried out by the District Registrar, Jayanagar.

23.2. On inspection, it was reported that the land measuring 3 acres 6 guntas in Sy. No. 122/New No. 272/2 at Kengeri Village, though was converted for industrial use, the land was undeveloped, lacked civic amenities, and abutted the State Highway. Relying on the relevant valuation notification dated 17.04.2007, State contended that where no specific guideline value was prescribed for industrial sites, the value had to be fixed at 50% of the applicable residential site rate, with an additional 25% if the land abutted a State Highway. Applying these instructions, the guideline value was worked out at Rs. 500 per sq. ft., and it was asserted that higher values reflected in letters issued by the Sub-Registrars were contrary to the notification.

24. The High Court after examination of all the above material, disposed of the Writ Petition filed by N.I.C.E and accepted the valuation as given by the State by fixing the market value of the land to be Rs. 500 per sq. foot of the land. The High Court disposed of the Writ Petition with the following reasons:

24.1. ***Firstly***, the High Court found that the Executing Court committed a fundamental error by misapplying the Government Guideline Value Notification dated 17.04.2007. While the Executing Court fixed the value at

Rs. 1,000 per sq. ft., it did so by selectively applying Column 6 (converted sites) and Instruction No.2 (25% increase for lands abutting a State Highway), but failed to apply Instruction No.6, which mandates that where no specific industrial rate is provided, industrial land must be valued at 50% of the residential site rate. This omission amounted to a clear non-application of mandatory statutory instructions, rendering the valuation legally unsustainable.

24.2. ***Secondly***, the High Court held that the reasoning of the Executing Court was internally contradictory and legally flawed. On one hand, the Executing Court stated that valuation should be based on Column 8 (agricultural land at Rs. 1.25 crore per acre), and in the very next breath concluded that Column 6 (Rs. 1,000 per sq. ft.) applied. The High Court observed that such mutually inconsistent reasoning showed lack of judicial application of mind, since valuation could not simultaneously be based on two incompatible columns of the same notification.

24.3. ***Thirdly,*** the High Court rejected the Executing Court's reliance on equitable considerations, such as the decree holders having "lost valuable land" or the judgment debtors allegedly delaying payment. It emphasized that an Executing Court cannot travel beyond the decree or

substitute legal valuation with notions of fairness or sympathy. Execution proceedings are confined strictly to enforcing the decree in accordance with law, and equity-based reasoning cannot override statutory valuation rules contained in the guidance notification.

24.4. Finally, the High Court placed significant weight on the clarification issued by the State Government itself, which explained the correct method of applying the guidance value and the special instructions. Accepting this clarification, the Court concluded that the correct valuation required: (i) taking the residential site rate of ₹800 per sq. ft., (ii) adding 25% due to the land abutting a State Highway (₹1,000 per sq. ft.), and (iii) applying Instruction No.6 to fix the industrial land value at 50% thereof, i.e., ₹500 per sq. ft. Since the Executing Court failed to apply this mandatory reduction, its order required modification rather than outright affirmation.

24.5. It is this order that is challenged by both the decree holders and the judgment debtors before this Court.

PART-III:
ARGUMENTS OF THE PARTIES BEFORE THIS COURT

25. Shri. P. Vishwanatha Shetty, Learned Senior Advocate appearing for the decree holders submitted as follows:

25.1. The High Court had erred in interfering with the Executing Court's determination of market value at Rs. 1,000 per sq. ft., which had been fixed strictly in accordance with the Government of Karnataka notification dated 17.04.2007 applicable on the date of the Memorandum of Settlement. It was emphasized that, in an earlier round of litigation, the Supreme Court had dismissed the SLP and had expressly directed the Executing Court to determine the value of the Schedule-AA property on the basis of the guideline value prevailing as on the date of the compromise, with payment to follow within the stipulated period. Applying the notification, the property being within municipal limits, already converted for industrial use, and abutting a State Highway had rightly attracted a base guideline value of Rs. 800 per sq. ft. with a further 25% increase, resulting in Rs. 1,000 per sq. ft. This valuation was also stated to be corroborated by letters issued by the jurisdictional Sub-Registrar assessing the market value at Rs. 1,000 and later Rs. 1,500 per sq. ft., which were rejected without valid justification.

25.2. It was further contended that the High Court had wrongly applied Special Instruction No. 6 to reduce the value by 50%, even though that instruction applied only to lands

outside BBMP or municipal limits and, in any event, its first part mandated residential value for properties already declared as industrial zones. The reliance placed on a belated and unauthorised spot inspection by the State was assailed as untenable, especially when the High Court itself noted that no such inspection had been directed and that possession had been handed over years earlier. He further urged that the property was being used as a toll plaza generating substantial daily revenue and that compensation had been unjustly delayed despite the 2007 settlement.

25.3. He further contended that the High Court's approach i.e. interpretation of guideline values and impleadment of the Government at a belated stage, the High Court essentially acted as an appellate court while exercising the jurisdiction under Article 227 of the Constitution, which is not permissible. He further contended that, High Court's reliance on an allegedly collusive and inaccurate report had vitiated the impugned judgment in law.

26. Mr. Anil Kaushik, Learned Senior Advocate appearing for N.I.C.E submitted as follows:

26.1. That the High Court failed to appreciate that compensation was required to be paid strictly in terms of the government-fixed guideline value as prevailing in

August 2007 and as applicable to the subject land in the condition in which it existed on the date of the Memorandum of Settlement. It was contended that the applicable provision was para 1 of the guideline value and not para 6, since para 1 specifically governed agricultural lands converted for residential, commercial, or industrial use but not fully developed. The petitioners emphasized that the land was originally agricultural, converted for industrial use in 2004, remained wholly undeveloped with no civic amenities or layout, and even the affidavit of the State confirmed these facts after spot verification. On this basis, it was argued that the correct valuation ought to have been Rs. 1.56 crore per acre, arrived at by adding 25% to the agricultural guideline value of Rs. 1.25 crore per acre applicable to lands abutting a State Highway.

26.2. It was further urged that the High Court erred in relying entirely on the valuation suggested by the State, despite that affidavit itself was confirming that the land was not developed, making the application of para 6 of the guideline value ex facie erroneous. It was further contended that accepting State's approach would lead to anomalous and contradictory results, effectively equating agricultural or converted lands within BBMP limits with

fully developed lands on a square-foot basis. The High Court also faulted in treating the subject land as developed without proof, by erroneously adding 25% under para 2 by ignoring settled law that even developed land cannot be valued in entirety due to mandatory deductions for amenities and development costs. On these grounds, it was contended that the impugned judgment suffered from serious errors of law and misinterpretation of the guideline value framework.

PART-IV:
POINTS THAT ARISE FOR DETERMINATION:

27. Having heard the learned counsels appearing for the parties and on perusal of the entire material on record, the following points arise for our consideration:

i. *Whether the High Court exceeded its jurisdiction conferred upon under Article 227 of the Constitution of India?*

ii. Whether the High Court was justified in interfering with the findings recorded by the Executing Court?

28. Before proceeding to analyse the whole issue, it is necessary to first delineate the admitted and undisputed facts of the case:

28.1. ***Firstly,*** Decree Holder No. 2 being the owner in possession of the schedule land, which was originally an agricultural property.

28.2. ***Secondly,*** the schedule land was subsequently converted for industrial use pursuant to an order dated 05.11.2004 passed by the competent authority.

28.3. ***Thirdly,*** Nandi Infrastructure Corridor Enterprises (N.I.C.E.) and the Decree Holders entered into a compromise decree in a suit filed by N.I.C.E. against the Decree Holders, wherein N.I.C.E. agreed to compensate the Decree Holders in terms of the market value of the schedule land, determinable in accordance with the guideline value prevailing on the date of compromise, in the event N.I.C.E. failed to transfer the alternative land described in the 'B Schedule' of the compromise decree.

28.4. ***Fourthly,*** N.I.C.E. failed to transfer the 'B Schedule' property as agreed under the compromise decree and was, therefore, liable to compensate the Decree Holders in terms of Clause (xiii) thereof.

28.5. ***Fifthly,*** in the earlier round of litigation, which culminated before this Court, a specific direction was

issued to the Executing Court to determine the guideline value in accordance with the terms of the compromise decree.

28.6. ***Lastly,*** the *lis* throughout remained between private parties, namely, N.I.C.E. and the Decree Holders, until the High Court impleaded the State Government in a writ petition filed under Article 227 of the Constitution at the instance of N.I.C.E.

29. Save and except the facts enumerated hereinabove, no other facts stand admitted by the parties. The learned Senior Counsel appearing on behalf of the Decree Holders has seriously assailed the manner in which the High Court dealt with the writ petition filed by Nandi Infrastructure Corridor Enterprises (N.I.C.E.) under Article 227 of the Constitution. We, therefore, proceed to examine this issue in the first instance.

PART-V: ANALYSIS

RE: POINT NO. I:

A. EXERCISE OF THE POWER BY HIGH COURT UNDER ARTICLE 227.

30. Before adverting to the factual matrix, it would be apposite to examine whether the High Court exceeded the

jurisdiction vested in it under Article 227 of the Constitution of India?

31. The scope and ambit of the power of the High Court under Article 227 of the Constitution has been the subject matter of consideration before this Court in several judgments, and the law governing the exercise of such power now stands well settled. In exercise of its supervisory jurisdiction, the High Court cannot act as an appellate court, nor can it sit in appeal over the correctness of the orders passed by courts and tribunals over which it exercises the power of superintendence under Article 227.

32. This court in ***Shalini Shyam Shetty and Another v. Rajendra Shankar Patil***[13], has held:

> "35. Nasirullah Beg J. of the Allahabad High Court in a very well-considered judgment rendered in the case of *Jodhey vs. State, reported in AIR 1952 All 788,* discussed the provisions of Section 15 of the Indian High Courts Act of 1861, Section 107 of the Government of India Act 1915 and Section 224 of the Government of India Act 1935 and compared them with almost similar provisions of Article 227 of the Constitution. The learned judge considered the power of the High Court under Article 227 to be plenary and unfettered but at the same time, in paragraph 15 at page 792 of the report, the learned judge held that High Court should be cautious in its exercise. It was made clear, and rightly so, that the power of superintendence is not to be exercised unless there has been an (a) unwarranted assumption of jurisdiction, not vested in Court or

[13] **(2010) 8 SCC 329**

> tribunal, or (b) gross abuse of jurisdiction or (c) an unjustifiable refusal to exercise jurisdiction vested in Courts or tribunals. The learned judge clarified if only there is a flagrant abuse of the elementary principles of justice or a manifest error of law patent on the face of the record or an outrageous miscarriage of justice, power of superintendence can be exercised. This is a discretionary power to be exercised by Court and cannot be claimed as a matter or right by a party.
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> ………..
>
> 40. Same principles have been followed by this Court in the case of *Mani Nariman Daruwala @ Bharucha (deceased) through Lrs. & others vs. Phiroz N. Bhatena and others etc*. reported in (1991) 3 SCC 141, wherein it has been held that in exercise of its jurisdiction under Article 227, the High Court can set aside or reverse finding of an inferior Court or tribunal only in a case where there is no evidence or where no reasonable person could possibly have come to the conclusion which the Court or tribunal has come to. This Court made it clear that except to this `limited extent' the High Court has no jurisdiction to interfere with the findings of fact (see para 18, page 149-150). In coming to the above finding, this Court relied on its previous decision rendered in the case of *Chandavarkar Sita Ratna Rao vs. Ashalata S. Guram* reported in (1986) 4 SCC 447. The decision in *Chandavarkar (supra)* is based on the principle of the Constitution Bench judgments in *Waryam Singh v. Amanath and Another,* reported in AIR 1954 SC 215 and *Nagendra Nath Bora & Another vs The Commissioner of Hills Division and others,* reported in AIR 1958 SC 398 discussed above."

33. This court in the case of ***Estralla Rubber v. Dass Estate (P) Ltd.***[14]*,* has held that the power of the High Court in interfering with the order of the Court or Tribunal, would be

[14] **(2001) 8 SCC 97.**

restricted to cases of serious dereliction of duty and flagrant violation of fundamental principles of law or justice. It has been further held:

> "6. The scope and ambit of exercise of power and jurisdiction by a High Court under Article 227 of the Constitution of India is examined and explained in number of decisions of this Court. The exercise of power under this Article involves a duty on the High Court to keep inferior courts and tribunals within the bounds of their authority and to see that they do duty expected or required by them in a legal manner. The High Court is not vested with any unlimited prerogative to correct all kinds of hardship or wrong decisions made within the limits of the jurisdiction of the courts subordinate or tribunals. Exercise of this power and interfering with the orders of the courts or tribunal is restricted to cases of serious dereliction of duty and flagrant violation of fundamental principles of law or justice, where if High Court does not interfere, a grave injustice remains uncorrected. It is also well settled that the High Court while acting under this Article cannot exercise its power as an appellate court or substitute its own judgment in place of that of the subordinate court to correct an error, which is not apparent on the face of the record. The High Court can set aside or ignore the findings of facts of inferior court or tribunal, if there is no evidence at all to justify or the finding is so perverse, that no reasonable person can possibly come to such a conclusion, which the court or Tribunal has come to."

34. This Court in a recent judgment of ***Garment Craft v. Prakash Chand Goel***[15]***,*** had an occasion to again deal with the exercise of Jurisdiction under Article 227 of the Constitution of India and held that, High Court exercising

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[15] (2022) 4 SCC 181.

supervisory jurisdiction would not act as a Court of First Appeal. It was also held:

> "15. Having heard the counsel for the parties, we are clearly of the view that the impugned order is contrary to law and cannot be sustained for several reasons, but primarily for deviation from the limited jurisdiction exercised by the High Court under Article 227 of the Constitution of India. *The High Court exercising supervisory jurisdiction does not act as a court of first appeal to reappreciate, reweigh the evidence or facts upon which the determination under challenge is based. Supervisory jurisdiction is not to correct every error of fact or even a legal flaw when the final finding is justified or can be supported. The High Court is not to substitute its own decision on facts and conclusion, for that of the inferior court or tribunal.* The jurisdiction exercised is in the nature of correctional jurisdiction to set right grave dereliction of duty or flagrant abuse, violation of fundamental principles of law or justice. The power under Article 227 is exercised sparingly in appropriate cases, like when there is no evidence at all to justify, or the finding is so perverse that no reasonable person can possibly come to such a conclusion that the court or tribunal has come to. It is axiomatic that such discretionary relief must be exercised to ensure there is no miscarriage of justice."
>
> (Emphasis supplied)

35. In short, the principles laid down in the above matters is as follows:

a) The power of superintendence under Article 227 is not to be exercised unless there has been an (a) unwarranted assumption of jurisdiction, not vested in Court or tribunal, or (b) gross abuse of jurisdiction or (c) an

unjustifiable refusal to exercise jurisdiction vested in Courts or tribunals.

b) It is also well settled that the High Court while acting under this Article cannot exercise its power as an appellate court or substitute its own judgment in place of that of the subordinate court to correct an error, which is not apparent on the face of the record.

c) The High Court exercising supervisory jurisdiction does not act as a court of first appeal to reappreciate, reweigh the evidence or facts upon which the determination under challenge is based. Supervisory jurisdiction is not to correct every error of fact or even a legal flaw when the final finding is justified or can be supported. The High Court is not to substitute its own decision on facts and conclusion, for that of the inferior court or tribunal.

36. Applying the aforesaid principles to the facts of the present case, we are of the considered view that the High Court has exceeded the jurisdiction vested in it under Article 227 of the Constitution of India. We say so for the following reasons:

36.1.*Firstly,* the power of superintendence under Article 227 of the Constitution can be exercised where there is an unwarranted assumption of jurisdiction by a court not vested with such jurisdiction, or in cases of gross abuse

of jurisdiction. In the present case, it is evident from the record that the Executing Court was duly vested with jurisdiction to deal with the matter, and no case of gross abuse of jurisdiction is made out. On this ground, the High Court could not to have exercised its jurisdiction under Article 227.

36.2.*Secondly,* the power of superintendence may be invoked where there is an unjustifiable refusal to exercise jurisdiction vested in a court. In the present case, the Executing Court did exercise the jurisdiction conferred upon it. Consequently, no occasion arose for the High Court to invoke its jurisdiction under Article 227 of the Constitution on this ground.

36.3.*Thirdly,* the High Court, while exercising jurisdiction under Article 227 of the Constitution, could not have acted as an appellate court or substitute its own judgment for that of the subordinate court to correct an error which was not apparent on the face of the record. In the present case, while considering the petition filed by N.I.C.E. under Article 227, the High Court ought to have borne in mind that this Court, in the earlier round of litigation, had specifically directed the Executing Court to determine the guideline value of the property and accordingly the Executing Court had determined the value of the land. In

our considered opinion, the High Court travelled beyond the limits of its jurisdiction under Article 227 while adjudicating the writ petition filed by N.I.C.E. and we say so for the following reasons:

36.3.1. While exercising its jurisdiction under Article 227 of the Constitution, the High Court had a limited scope of interference with the order passed by the Executing Court. What the High Court has done in the present matter is precisely what may be characterised as acting in the capacity of an Appellate Court, which is impermissible in the exercise of supervisory jurisdiction under Article 227. ***Firstly,*** while exercising jurisdiction under Article 227, the High Court belatedly impleaded the State Government to resolve an issue relating to the interpretation of the manner in which the guideline value was to be determined. In our considered opinion, such impleadment ought not to have been resorted to, for the reason that the *lis* throughout was between private parties and arose solely out of a compromise decree.

36.3.2. ***Secondly,*** the High Court, in effect, called upon the State Government to file an affidavit seeking clarification on the interpretation of the notification. Although the High Court ultimately rejected the report

submitted by the State, it nonetheless accepted the State's clarification with regard to the interpretation of the notification and proceeded to act upon the same. In substance, the High Court permitted the State to interpret its own notification and thereby influence a *lis* exclusively between private parties. The State was thus placed in the position of being a rule-maker, interpreter, and adjudicator of its own notification simultaneously, all while the High Court was exercising its jurisdiction under Article 227 of the Constitution. Such an approach, in our considered view, is impermissible. The executive cannot be allowed to explain away or reinterpret a statutory instrument during the course of litigation to the prejudice of one of the parties.

36.3.3. ***Thirdly,*** the High Court accepted the interpretation advanced by the State solely on the ground that an alternative interpretation of the notification was possible. By doing so, the High Court substituted its own view for that of the Executing Court, thereby exhibiting the conduct of an Appellate Court rather than that of a court exercising supervisory jurisdiction under Article 227 of the Constitution.

36.3.4. ***Fourthly,*** at the very least, the interpretation, adopted by the Executing Court constituted a plausible and reasonable view. In such circumstances, the High Court could not, in exercise of its supervisory jurisdiction under Article 227 of the Constitution, supplant that view with another interpretation, merely because such an alternative view was also possible. By exercising jurisdiction under Article 227 solely to demonstrate that another view was possible, the High Court, in effect, acted as an appellate court, which is impermissible in law.

36.4. Therefore, in our considered opinion, the High Court, while exercising its jurisdiction under Article 227 of the Constitution, travelled beyond the limits of the narrow and circumscribed scrutiny permissible under the said provision, in direct contravention of the principles set out in paragraph 35 of this judgment.

RE: POINT NO. 2:

37. Having held that the High Court substituted its own interpretation merely because another interpretation was possible which was erroneous, we now proceed to examine whether the interpretation adopted by the Executing Court was a plausible interpretation or whether it was so perverse

as to warrant interference in exercise of jurisdiction under Article 227 of the Constitution. A plain reading of the notification leaves no manner of doubt that the value prescribed for sites falling within the jurisdiction of the BBMP and City Municipal Councils, as reflected in Column No. 6, is Rs. 800/- per square foot. The schedule land, bearing Survey No. 122, is expressly covered under the said notification. Consequently, the base guideline value applicable to sites falling within Survey No. 122 is Rs. 800/- per square foot. Further, upon applying Instruction No. 2 of the notification, an additional 25% of the base value is required to be added. Accordingly, the computation would be Rs. 800/- plus 25% of Rs. 800/-, which works out to Rs. 1,000/- per square foot. Now, the crucial question, therefore, is whether Instruction No. 6 of the notification is applicable to the present case. On bare reading of Instruction No. 6, it can be seen that same is intended to operate only as a residual provision applicable to industrial layouts or industrial zones where no specific guideline value is prescribed. In the present case, the land falls within municipal urban limits, and the guideline notification itself prescribes a specific rate of Rs. 800 per square foot for such lands within such limits. Consequently, the opening limb of Instruction No. 6 *"the rate for residential sites has to be*

followed for the industrial areas as already been notified in the guideline" stands satisfied, and the exclusionary phrase *"excluding these areas"* squarely applies. As a result, the fallback rule of fixing 50% of the residential site value never gets triggered. Applying Instruction No. 6 in the present factual matrix would lead to an anomalous and absurd outcome whereby converted urban land within BBMP limits is valued lower than agricultural land with conversion benefits, a result that courts have consistently cautioned against.

B. <u>MERITS OF THE APPEALS FILED:</u>

38. In view of the foregoing discussion, it is evident that the High Court exceeded the limits of its supervisory jurisdiction under Article 227 of the Constitution. Accordingly, we are of the view that the impugned order deserves to be set aside. However, for the sake of clarity and completeness, we proceed to consider the merits of the appeals preferred by the Decree Holders and the Judgment Debtors, independently.

39. *Civil Appeal No. 1388 of 2013*, filed by the Judgment Debtors/Nandi Infrastructure Corridor Enterprises (N.I.C.E.). The consistent stand taken by N.I.C.E. before the Executing Court, the High Court, and this Court has been

that the land in question was originally agricultural land, converted for industrial use in the year 2004, but had never been developed in fact. It was contended that the land lacked civic amenities such as water supply and drainage, that no layout of sites had been formed, and that even the surrounding areas within a radius of approximately one kilometre remained undeveloped. On this basis, it was urged that the Government had fixed the guideline value for agricultural lands abutting the State Highway at Rs. 1.25 crore per acre, and that by adding 25% thereto under Special Instruction paragraph 1(c) of the guidelines, on account of industrial conversion, the value would work out to Rs. 1,56,25,000/- per acre, which is approximately Rs. 350/- per square foot. The aforesaid contention has been consistently rejected by both the Executing Court and the High Court, and, in our considered opinion, the said contention has been rightly rejected.

39.1. The Decree Holders produced material on record to demonstrate that developmental activities had been undertaken after the land was converted for industrial use. The Executing Court specifically recorded that the evidence established that the land was converted for non-agricultural/industrial purposes, was situated within the limits of the Kengeri City Municipal Council (later

BBMP), and that the Decree Holders possessed an industrial licence, power connection, building permission, tax assessments, and access to civic amenities, and that the land abutted a State Highway. The High Court also rejected the aforesaid contention of N.I.C.E., and, in our considered view, such rejection was entirely justified.

39.2. The learned Senior Counsel appearing for Nandi Infrastructure Corridor Enterprises (N.I.C.E.) placed reliance on the decision of this Court in ***K.S. Shivadevamma and Others v. Assistant Commissioner and Land Acquisition Officer and Another***[16] to contend that the fact that the land was not developed at the relevant point of time ought to be taken into consideration while fixing the guideline value. This submission, in our considered opinion, does not merit acceptance. The decision relied upon arose out of land acquisition proceedings, wherein this Court was concerned with the determination of the market value of acquired land. In such proceedings, factors such as the developmental potential of the land are undoubtedly relevant and material for determining market value. In the present case, however, we are concerned with the determination

[16] **(1996) 2 SCC 62.**

of the market value on the basis of the guideline value fixed by the State, which is a statutory benchmark and does not depend upon factual considerations such as the potentiality of the land, the extent of development undertaken, or other attendant circumstances. Further, the valuation of the schedule land in the present case arises out of a compromise decree entered into between the parties. At the time of entering into the compromise, both parties were fully conscious of the fact that the schedule land stood converted for industrial use. Having agreed to compensation on the basis of guideline value, N.I.C.E. cannot now be permitted to contend that the value ought to be determined by treating the land as agricultural. Consequently, the reliance placed by the Judgment Debtors on the decision of this Court in *K.S. Shivadevamma* is misplaced and does not advance their case.

39.3. In so far as the submission of Nandi Infrastructure Corridor Enterprises (N.I.C.E.) with respect to interest is concerned, we do not find merit in the contention advanced by the learned Senior Counsel for N.I.C.E. that the Decree Holders are not entitled to interest on the amount determined. It is no doubt true that the compromise decree does not contain any clause

stipulating payment of interest. The finding of the Executing Court, that the Decree Holders were not entitled to interest on the amount so determined had been assailed by the Decree Holders before the High Court in W.P. No. 25158 of 2012, which came to allowed in part by granting interest as under:

> *"Petition is partly allowed and the impugned order dated 31.5.2012 at Annexure-A on the file of V Addl. City Civil Judge at Bangalore City, in so far as not granting interest on the cost of the land, is quashed. Consequently,* ***it is held that petitioners/Decree Holders are entitled for interest @ 6% per annum on the cost of the land from 20.8.2007 till the amount is paid or deposited****. Respondents/Judgment Debtors are directed to deposit the interest on the cost of the land in Execution Case within weeks from today, failing which the Executing Court shall proceed to recover the same from the respondents/Decree Holders."*
>
> (Emphasis supplied by us)

The learned Senior Counsel for N.I.C.E. has placed reliance on the decision of this Court in ***Government of Tamil Nadu, represented by its Secretary, Transport Department and Others v. P.R. Jaganathan and Others***[17]. The said decision clearly lays down that, in the absence of any stipulation regarding interest in a compromise decree, a party cannot claim interest as a matter of right. It would be apposite to take note of the order passed by this Court in SLP. (C) No.

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[17] **2025 SCC OnLine SC 2496.**

10633/2012 on 09.04.2012, the extract of which has already been noted in Paragraph No. 13 @ supra, whereunder it has been clearly held that Petitioner's therein (N.I.C.E) herein should pay the amount, so determined within 8 weeks from the date of determination by the Executing Court. In the instant case, the Executing Court determined the value of the land vide order dated: 31.05.2012, against which W.P. No. 21068 of 2012 came to filed and in the said petition a sum of Rs. 4,92,18,750 was deposited in the Registry of the High Court in the terms of the Order dated: 27.06.2012. This amount appears to have been determined based on the calculation made by the Judgement Debtors (N.I.C.E). When the order passed by this Court on 09.04.2012, referred to herein supra is clear and unequivocal namely 'Petitioner shall pay the amount so determined within eight weeks from the date of determination by the Executing Court' the Judgment Debtor (N.I.C.E), ought to have complied with the said order. It appears from the records that the amount determined by the Executing Court fixing the value of the land has not been fully deposited and only admitted (by N.I.C.E.) amount was deposited. That apart, the Decree Holders also having challenged the order of the Executing Court denying the interest for the belated payment in W.P. No. 25158 of 2012, seeking interest on the delayed payment ought to have been taken into consideration by the

High Court while adjudicating the Writ Petition of the Judgment Debtors (N.I.C.E.) more particularly when it was brought to the notice of the High Court. It would be apt to note at this juncture itself, the Writ Petition No. 25158 of 2012 filed by the Decree Holders seeking interest on delayed payment came to be allowed in part and an interest @ 6% per annum on the cost of the land from the date of decree drawn in OS No.4691/2006 (20.08.2007) till the amount is paid or deposited was ordered to be paid by the Judgment Debtors. At the cost of repetition, it requires to be noticed that in W.P. No. 21068 of 2012 a sum of Rs. 4,92,18,750/- was deposited in terms of the order dated: 27.06.2012, since the issue of interest was seized in W.P. No. 25158 of 2018 and the said Writ Petition having not been taken up fort adjudication, along with W.P. No. 21068 of 2012, the present situation has arisen. On the one hand, the decree-holder contends that judgment debtors are liable to pay interest on the delayed payment, and on the other hand, the judgment debtors attempt to stave off the said claim. The fact remains that a determination has already been made by the High Court in W.P. No. 25158 of 2012, by order dated 11.06.2013, determining the rate of interest. None of the parties to the present proceedings have brought to our notice that the said order having been set aside, modified, or varied. It is also made clear that in the event of

said order, having being challenged by either of the parties, it is needless to state that the order passed thereon would be binding on both the parties and the direction for payment of interest would be subject to the result of the said proceedings.

40. *Civil Appeal No. 1354 of 2013* has been filed by the Decree Holders seeking restoration of the order passed by the Executing Court. In view of the foregoing discussion, and having held that the High Court exceeded the limits of its jurisdiction while exercising power under Article 227 of the Constitution, the said appeal preferred by the Decree Holders deserves to be allowed.

PART VI:

CONCLUSION

41. In view of the above discussion, we pass the following order:

a) Civil Appeal No. 1388 of 2013, filed by the Judgment Debtors/Nandi Infrastructure Corridor Enterprises (N.I.C.E.), is dismissed, and Civil Appeal No. 1354 of 2013, filed by the Decree Holders, is allowed.
b) Consequently, the impugned judgment and order dated 12.09.2012 passed by the High Court of Karnataka in W.P. No. 21068 of 2012 is set aside, and the order passed by the

V Additional City Civil Judge, Bengaluru, acting as the Executing Court, is restored.

c) Accordingly, the value of the Schedule Land (AA Schedule Property), in terms of the Compromise Decree dated 20.08.2007, is determined at Rs. 1,000/- per square foot, aggregating to a total sum of Rs. 13,72,14,000/-.

d) The judgment debtors (N.I.C.E) are directed to pay the balance amount, namely Rs.13,72,14,000/- minus Rs.4,92,18,750/- = Rs.8,79,95,250/- (Rupees Eight Crore Seventy Nine Lakh Ninety Five Thousand Two Hundred Fifty Only) with interest at the rate of 6% p.a. as ordered in W.P. No. 25158 of 2012 by order dated 11.06.2013 which would be subject to observations made in paragraph 39.3 hereinabove.

e) Pending applications, if any, shall stand disposed of. The parties shall bear their own costs.

………………………………, J.
[ARAVIND KUMAR]

………………………………, J.
[N.V. ANJARIA]

New Delhi;
April 30th, 2026.