*Sayali*

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY**
**CIVIL APPELLATE JURISDICTION**

**FIRST APPEAL NO. 957 OF 2026**
**WITH**
**CIVIL APPLICATION NO. 1116 OF 2018**
**WITH**
**CROSS OBJECTION (ST) NO. 28634 OF 2026**
**IN**
**FIRST APPEAL NO. 957 OF 2026**

SAYALI DEEPAK UPASANI
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The State Of Maharashtra Through The Special Land Acquisition Officer … Appellant

V/s.

Shri Shankar Laxman Ghatge (Decd. Thru. His L.Rs. Shri Yeshwant S.Ghatge (Decd. Thru. His L.R.And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 424 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 7377 OF 2025**
**IN**
**FIRST APPEAL NO. 424 OF 2025**

The State of Maharashtra Thr. the Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Gopal Balaram Dhamale And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 612 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 8043 OF 2025**

**IN**
**FIRST APPEAL NO. 612 OF 2025**

The State Of Maharashtra Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shripad Padya Bhoir(Deceased) Lrs. Tukaram Shripad Bhoir (Deceased) Thr. Lrs. Smt. Manjula Tukaram Bhoir and Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 610 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 9805 OF 2025**
**IN**
**FIRST APPEAL NO. 610 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Changa Laxman Keni (Deceased) Through Lrs. Smt. Pramila Changa Keni & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 438 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 7378 OF 2025**
**IN**
**FIRST APPEAL NO. 438 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Haribhau Padya Bhoir (Deceased) Through Lrs. Shri. Rohidas Haribhau Bhoir & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 529 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 7383 OF 2025**
**IN**
**FIRST APPEAL NO. 529 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer, Metro Centre No. 3, Panvel), District – Raigad. … Appellant

**V/s.**

Shri. Shankar Goma Keni Deceased) Through Lrs. Shri Anant Shankar Keni & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 363 OF 2021**
**WITH**
**CROSS OBJECTION (ST) NO. 13466 OF 2025**
**IN**
**FIRST APPEAL NO. 363 OF 2021**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Balaram Aalu Patil (Deceased) Through Lrs. Smt. Gangabai Balaram Patil And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 851 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 13325 OF 2025**
**IN**
**FIRST APPEAL NO. 851 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Hanuman Vilas Keni (Deceased) Through Lrs. Smt. Anjana Hanuman Keni And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 423 OF 2019**
**WITH**
**CROSS OBJECTION (ST) NO. 9661 OF 2019**
**WITH**
**INTERIM APPLICATION NO. 13146 OF 2025**
**IN**
**FIRST APPEAL NO. 423 OF 2019**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Dilip Ragho Keni … Respondent

**WITH**
**FIRST APPEAL NO. 611 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 8047 OF 2025**
**IN**
**FIRST APPEAL NO. 611 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shri. Haribhau Padya Bhoir (Deceased) Through Lrs. Shri. Rohidas Haribhau Bhoir And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 539 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 9808 OF 2025**
**IN**

**FIRST APPEAL NO. 539 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Ramchandra Goma Keni (Deceased) Thr. Lrs. Ramehs R. Keni (Deceased) Ranjana Ramesh Keni And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 1117 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 19334 OF 2025**
**WITH**
**INTERIM APPLICATION NO. NO. 8750 OF 2025**
**IN**
**FIRST APPEAL NO. 1117 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellant

**V/s.**

Shankar Goma Keni (Deceased) Lrs. Anant Shankar Keni And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 531 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 8045 OF 2025**
**IN**
**FIRST APPEAL NO. 531 OF 2025**

The State Of Maharashtra Thr. the Special Land Acquisition Officer) & Anr. … Appellants

**V/s.**

Shri. Joma Balu Keni & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 541 OF 2025**

**WITH**
**CROSS OBJECTION (ST) NO. 8048 OF 2025**
**IN**
**FIRST APPEAL NO. 541 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellants

**V/s.**

Shri. Shankar Goma Keni (Deceased)Through His Legal Heris-1-1) Shri. Anant Shankar Keni And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 596 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 9807 OF 2025**
**IN**
**FIRST APPEAL NO. 596 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellants

V/s.

Shri. Haribhau Padya Bhoir (Deceased) Through Lrs. Shri. Rohidas Haribhau Bhoir And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 360 OF 2021**
**WITH**
**CROSS OBJECTION (ST) NO. 28716 OF 2025**
**IN**
**FIRST APPEAL NO. 360 OF 2021**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellants

**V/s.**

Shri. Namdeo Kana Mundkar (Deceased) Through Legal Heirs Shri. Bhau Namdeo Mundkar And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 670 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 8044 OF 2025**
**IN**
**FIRST APPEAL NO. 670 OF 2025**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellants

**V/s.**

Shri. Shankar Goma Keni (Deceased) Through Legal Heris And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 364 OF 2021**
**WITH**
**CROSS OBJECTION (ST) NO. 14827 OF 2025**
**IN**
**FIRST APPEAL NO. 364 OF 2021**

The State Of Maharashtra Thr. Through The Special Land Acquisition Officer) … Appellants

**V/s.**

Smt. Chahubai Raghunath Gavand (Deceased) (Deleted The Name) … Respondent

**WITH**
**FIRST APPEAL NO. 17 OF 2024**

Kana Ramji Kharva (Deceased)Through His Legal Heirs 1)Hamir Ramji Kharva (Deceased Thr. his Legal heirs) And Ors. … Appellants

**V/s.**

Special Land Acquisition Officer And Ors … Respondents

**WITH**
**FIRST APPEAL NO. 882 OF 2025**
**WITH**
**INTERIM APPLICATION NO. 16713 OF 2023**

**IN**
**FIRST APPEAL NO. 882 OF 2025**

The State Of Maharashtra And Anr. Thr. The Special Land Acquisition Officer, Metro Centre No.3 … Appellant

**V/s.**

Eknath Kamlya Mundkar Since Deceased Thr. Lrs. Smt Kalibai Eknath Mundkar & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 1616 OF 2024**

The State Of Maharashtra Thr. The Special Land Acquisition Officer … Appellant

**V/s.**

Jagnnath Nagesh Keni and Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 819 OF 2025**

The State Of Maharashtra Thr. The Dy. Collector, Land Acquisition, Raigad & Anr. … Appellants

**V/s.**

Shri. Abu Ganpat Bhoir & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 883 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 13736 OF 2025**
**IN**
**FIRST APPEAL NO. 883 OF 2025**

The State Of Maharashtra Thr. The Dy. Collector, Land Acquisition, Raigad And Anr. … Appellants

**V/s.**

Ragho Janu Patil And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 548 OF 2025**
**WITH**
**CIVIL APPLICATION NO. 3103 OF 2016**
**IN**
**FIRST APPEAL NO. 548 OF 2025**

The State Of Maharashtra Thr. The Special Land Acquisition, Officer … Appellant

**V/s.**

Shri. Vasant Nagu Dhamale, (Since Deceased)Through His Legal Heirs Smt. Nagubai Dhamale And Others … Respondents

**WITH**
**FIRST APPEAL NO. 334 OF 2022**
**WITH**
**CROSS OBJECTION (ST) NO. 7382 OF 2025**
**IN**
**FIRST APPEAL NO. 334 OF 2022**

The State Of Maharashtra Thr. The Special Land Acquisition, Officer … Appellant

**V/s.**

Shri. Hemala Bama Bhingarkar Deceased Through Lrs. Shri. Bhau Hemla Bhingarkar And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 389 OF 2019**
**WITH**
**CROSS OBJECTION (ST) NO. 9691 OF 2019**
**IN**
**FIRST APPEAL NO. 389 OF 2019**

The State Of Maharashtra Thr. The Special Land Acquisition, Officer … Appellant

**V/s.**

Shri. Mohan Damu Gawand & Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 387 OF 2019**
**WITH**
**CROSS OBJECTION (ST) NO. 9659 OF 2019**
**IN**
**FIRST APPEAL NO. 387 OF 2019**

The State Of Maharashtra Thr. The Special Land Acquisition, Officer … Appellant

**V/s.**

Smt. Chahubai Raghunath Gawand Since Deceased Sumanbai Gajanan Bhagat And Ors. … Respondents

**WITH**
**FIRST APPEAL NO. 393 OF 2019**
**WITH**
**CROSS OBJECTION (ST) NO. 9688 OF 2019**
**IN**
**FIRST APPEAL NO. 393 OF 2019**

The State Of Maharashtra Thr. The Special Land Acquisition, Officer … Appellant

**V/s.**

Shri. Shripad Padya Bhoir (Deceased) Suman Tulshiram Bhoir And Ors. … Respondents

**AND**
**FIRST APPEAL NO. 141 OF 2025**
**WITH**
**CROSS OBJECTION (ST) NO. 10992 OF 2026**
**WITH**
**INTERIM APPLICATION NO. 10368 OF 2025**
**IN**
**FIRST APPEAL NO. 141 OF 2025**

The State Of Maharashtra Thr. the Collector, Dy. Collector (Land … Appellant

Acquisition)

**V/s.**

Bebibai Rama Mundkar (Deleted) & Ors. … Respondents

Mr. A. R. Patil, Addl. GP for the Appellant / Applicant in all state Appeals & Respondent in FA/17/2024.

Mr. Bhushan Walimbe a/w Mr. Mayank Tripathi, Mr. Amit Chavan, Ms. Juili Chavan for the Appellant in FA/17/2024 & for the Respondent No. 1A to 1F in FA/548/2025.

Mr. Sachin S. Punde a/w Ms. Deepa Punde for the Respondents in FA/424/2025, FA/612/2025, FA/ 610/2025, FA/438/2025, FA/529/2025, FA/363/2021, FA/851/2025, FA/423/2019, FA/611/2025, FA/ 539/ 2025, FA/1117/2025, FA/531/2025, FA/541/2025, FA/491/2017, FA/596/2025, FA/360/2021, FA/ 670/ 2025, FA/492/2017, FA/364/2021, FA/819/2025, FA/ 883/2025,FA/334/2022, FA/389/2019, FA/387/2019, FA/393/2019, XOB(ST) 7377/2025 XOB(ST)/ 8043/2025, XOB(ST)/9805/2025, XOB(ST)/7978/2025, XOB (ST)/7383/2025, XOB(ST)/13466/2025, XOB(ST)/ 13325/2025, XOB(ST)/9661/2019, XOB(ST)/8047/2025, XOB(ST)/9808/2025, XOB(ST)/19334/2025, XOB(ST)/ 8045/2025, XOB(ST)/8048/2025, XOB(ST)/18549/2017, XOB(ST)/9807/2025, XOB(ST)/28716/2025, XOB(ST)/ 8044/2025, XOB(ST)/18367/ 2017, XOB(ST)/14827/2025, XOB(ST)/13736/2025, XOB(ST)/7382/2025, XOB(ST)/ 9691/2019, XOB (ST)/9659/2019, XOB(ST)/9688/2019 & Respondent No. 1.1, 1.3 to 1.6 in FA/548/2025.

Mr. Shriram S. Kulkarni a/w Mr. Aryavrat Dube, Mr. Gaurav Ugle for the Respondents in FA/957/2026 & for the Respondent in XOB(ST)/28634/2026

**CORAM : AMIT BORKAR, J.**

**RESERVED ON : OCTOBER 6, 2026.**

**PRONOUNCED ON : OCTOBER 13, 2026**

**JUDGEMENT.:**

**1.** All these Appeals are being decided by a common judgment because the evidence and the issues involved in all the Appeals are similar. The lands concerned in these Appeals are situated in the same village.

**2.** To avoid repeating the facts, the facts relating to First Appeal No. 957 of 2026 are being stated for convenience. The lands bearing Survey No. 127, Hissa No. 0.35.7 hectare, and Survey No. 126, Hissa No. 0.04.3 hectare, were owned by Raghunath Dagadoba Khirit and Heraji Devaji Kumbhar. The claimants had 28.13% ownership in the said lands. A notification under Section 4 of the Land Acquisition Act, 1894, was published on 24 September 1986 for the Navi Mumbai Project. As the claimants were not satisfied with the compensation awarded to them, they did not accept the amount determined under the Award passed under Section 11 of the said Act. According to the claimants, the market value determined in the Award was much lower than the market value of the acquired lands. They claimed that, considering the market rates prevailing on the date of acquisition, they were entitled to compensation at the rate of Rs. 2,000 per square metre. In their claim petition, they stated that the acquired lands were non-agricultural lands and were situated near the Panvel-Uran State Highway. They contended that the compensation granted by the Land Acquisition Officer was inadequate. They pointed out that a school and a college were

situated near the acquired lands and that an electric power line passed through the land in the nearby area. The Panvel Municipal Council was situated nearby. The Jawaharlal Industrial Estate and the Panvel Industrial Estate were at a short distance from the acquired lands. According to the claimants, the lands could have been used for industrial purposes or divided into plots. On these grounds, they sought an increase in compensation by claiming a market rate of Rs. 2,000 per square metre over and above the rate granted by the Land Acquisition Officer. The Reference Court permitted both sides to lead evidence. It considered judgments of this Court and other Courts, along with lease transactions relating to Way Bridge and Shakti Construction. After considering this material, the Reference Court determined the market value at Rs. 1,725 per square metre. The State Government, being aggrieved by the Award passed by the Reference Court in Land Acquisition Reference No. 748 of 2000, filed First Appeal No. 957 of 2026 challenging the said Award.

**3.** Mr. Patil, the learned Assistant Government Pleader, relied upon the judgment of the Supreme Court in *Babibai Babu Patil v. State of Maharashtra,* 2017 SCC OnLine SC 2130. He drew my attention to paragraph 3 of the said judgment, in which the Supreme Court directed this Court to consider two issues. The first was whether the value of the plots relied upon for determining compensation could be considered only after making deductions. The second was whether the value of commercial plots could safely be used as the basis for determining

compensation without making adequate deductions. Mr. Patil referred to the judgment of the Coordinate Bench in *State of Maharashtra v. Rohidas Rajaram Joshi, First Appeal No. 714 of 2018*, relating to Village Padghe. He submitted that, although the Coordinate Bench referred to the judgment in *Babibai Babu Patil*, it did not examine or consider the two issues identified by the Supreme Court. According to him, merely referring to the judgment of *Babibai Babu Patil*, without examining both these issues, was not sufficient. He submitted that the judgment concerning Village Padghe could not be relied upon to independently determine the market value of lands in another village at Rs. 1,725 per square metre.

**4.** Mr. Patil submitted that the Division Bench, in *State of Maharashtra v. Trimbak Joma Thakur,* reported in 2007(5) Mh.L.J. 187, had initially awarded compensation at the rate of Rs. 1,725 per square metre for lands situated in Village Roadpali. This rate was followed by several Coordinate Benches and Division Benches of this Court in matters concerning acquisition of lands in different villages for the Navi Mumbai Project. He submitted that, in view of the specific directions issued by the Supreme Court in *Babibai Babu Patil*, the basis on which the rate of Rs. 1,725 per square metre was determined required fresh examination and reconsideration. Referring to the judgment in *Trimbak Joma Thakur*, Mr. Patil submitted that the market value of lands in Village Roadpali had been determined on the basis of three transactions involving commercial plots. The first

transaction was an allotment order dated 16 November 1984, relating to a plot admeasuring 4,420 square metres at Kalamboli. The plot was allotted on a lease for 60 years. The allotment letter showed that water and electricity facilities were available at the site. The second transaction was a lease deed dated 2 May 1986, under which a plot was given at a premium of Rs. 345.87 per square metre. The third transaction related to a plot admeasuring 1,466 square metres, which was given at the rate of Rs. 2,727 per square metre. On the basis of these three transactions, the Division Bench held that the lands concerned were situated near a highway and formed part of an developed area comprising a steel market and an industrial area. Mr. Patil submitted that the transactions relied upon in *Trimbak Joma Thakur* related to developed commercial plots, including plots allotted through auction, and could not be compared with the undeveloped agricultural lands involved in the present Appeals. Mr. Patil then referred to paragraph 24 of the judgment in *Trimbak Joma Thakur*, which held how the rate of Rs. 1,725 per square metre had been determined. The Division Bench had considered the average of two transactions referred to in paragraph 23 and made a deduction of 25%. According to Mr. Patil, once the Supreme Court directed this Court in *Babibai Babu Patil* to reconsider the question of appropriate deductions, the earlier determination in *Trimbak Joma Thakur* could no longer be followed without examining that issue afresh. He submitted that neither the judgment concerning Village Padghe nor the

judgment concerning Village Bokadvira could be treated as a basis for awarding compensation at Rs. 1,725 per square metre in the present case.

**5.** Mr. Patil submitted that the acquired lands were agricultural lands and had not been developed. He contended that the market value of commercial plots determined through auction could not, without adjustment, be treated as the market value of undeveloped agricultural lands. He submitted that even if, in the absence of comparable sale transactions, the average rate of Rs. 2,100 per square metre referred to in paragraph 24 of the judgment in *Trimbak Joma Thakur* was taken as the starting point, substantial deductions would have to be made for developing the lands and providing the facilities required for a city. According to him, a deduction of up to 86% was necessary. On that calculation, even if the rate of Rs. 2,100 per square metre was accepted as the starting point, the market value of the acquired lands would not exceed Rs. 300 per square metre. Mr. Patil relied upon the judgment in *Babibai Babu Patil* to submit that the Supreme Court had held the principles governing deductions while determining the market value of acquired lands. He relied upon *Lal Chand v. Union of India,* (2009) 15 SCC 769, which concerned the acquisition of lands for the Rohini Residential Housing Scheme of the Delhi Development Authority. In that case, a deduction of 40% was made towards the portion of the land required for roads, drainage and similar public facilities. A deduction of 35% of the value of developed plots was

made towards the expenses required for development, including levelling the land, constructing roads, providing underground drainage, laying water pipelines and installing electricity lines.

**6.** Mr. Patil referred to the cross-examination of the claimant. According to him, the claimant admitted that, on the date of acquisition, the land was uncultivable and was being used for agricultural purposes, the cultivation of rice. The claimant admitted that there was no industry in the village in 1986. He admitted that there was no secondary school or college in the village at that time. The claimant stated that agriculture was the principal source of livelihood for the residents of Village Wadghar. Mr. Patil then referred to the affidavit of the valuer, in which she stated that she had visited the acquired lands on 15 February 1996. He submitted that the positive features mentioned in paragraphs 7 and 9 of her report should be understood as features observed in or relating to the position in 1996. According to him, those features could not be treated as conditions existing on the date of acquisition in 1986. Mr. Patil relied upon the cross-examination of the valuer. He submitted that the valuer admitted that, in 1986, the village did not have basic facilities such as a secondary school, a market or a Government Hospital. She admitted that there was no industrial unit in the village at that time. She stated that an independent source of electricity and a water supply facility were not readily available on the acquired lands. Referring to paragraph 6 of the valuer's report, Mr. Patil submitted that the Central Business

District was situated at a distance of 10 kilometres from the acquired lands. He pointed out that the Central Business District was the place where the principal local Government body and several Government and organisations were located. According to him, this distance was a relevant circumstance while considering the development and facilities available in the area on the date of acquisition. Mr. Patil referred to paragraph 5 of the examination-in-chief of the claimant in Appeal No. 141 of 2025. He submitted that the claimant had stated that the lands surrounding the acquired lands had been acquired under a notification issued in 1970 for the Navi Mumbai Project. The claimant had stated that most of those lands were being used for non-agricultural purposes. Mr. Patil submitted that, despite the above circumstances, the Supreme Court had determined the compensation for those lands acquired in 1970 at Rs. 25 per square metre. He pointed out that, in paragraph 12 of his examination-in-chief, the claimant himself stated that CIDCO had deliberately avoided developing the lands around Village Wadghar. According to Mr. Patil, this statement showed that the lands surrounding Village Wadghar had continued to remain undeveloped. Mr. Patil submitted that, if the rate of Rs. 1,725 per square metre was accepted for the present acquisition, the compensation would work out to approximately Rs. 1,74,000 per guntha for lands acquired in 1986. According to him, no purchaser would have paid such an amount for undeveloped agricultural land at that time. He contended that the rate of Rs.

1,725 per square metre claimed by the claimants was higher than the market value of the acquired lands.

**7.** Mr. Patil submitted that the judgment concerning Village Bokadvira was based on two earlier judgments. The first was a judgment of a Coordinate Bench concerning the same village, in which compensation had been fixed at Rs. 1,725 per square metre. The second was the judgment concerning Village Padghe, in which the same rate had been granted. He contended that the basis of the judgment concerning Village Padghe was under challenge for the reasons stated in his earlier submissions. Therefore, according to him, the judgment concerning Village Bokadvira could not be treated as a binding precedent for determining compensation at Rs. 1,725 per square metre for lands situated in Village Wadghar. Although Village Roadpali was situated near Village Padghe, Mr. Patil submitted that this circumstance alone could not justify granting the same rate for the acquired lands in Village Wadghar. He contended that compensation at Rs. 300 per square metre would be appropriate in the present case. According to him, the Reference Court had committed a material error in determining an excessively high market value for the acquired lands. Dealing with the reliance placed upon *Hookiyar Singh Etc. Etc. v. Special Land Acquisition Officer, Moradabad and Another,* (1990) 3 SCC 766, Mr. Patil submitted that the Supreme Court had held that the future possibility of using land for industrial development for a public purpose could not be taken into consideration under Section 24.

He relied upon clause 5 of the said provision, which, according to his submission, prohibited consideration of the future use to which the acquired land might be put. He submitted that the large extent of land involved in that acquisition was one of the factors considered by the Supreme Court while determining the market value.

**8.** Mr. Patil next relied upon the judgment of the Supreme Court in *Sabhia Mohammed Yusuf Abdul Hamid Mulla (Dead) by Lrs. and Ors. v. Special Land Acquisition Officer and Ors.,* (2012) 7 SCC 595. He submitted that the Supreme Court had identified several relevant factors for determining the market value of acquired land. These included the geographical location of the land, its existing use, the advantages available to it, its proximity to a National Highway, State Highway or other road, its proximity to an developed area, and the market value of other lands situated in the same locality, village or area, or in neighbouring areas close to the acquired land. Mr. Patil referred to paragraph 18 of the said judgment, in which the Supreme Court held the meaning of the expression "market value". According to the principle stated therein, market value is the price which a willing purchaser would pay to a willing seller, having regard to the existing condition of the property, its available advantages and its potential possibilities. However, any advantage arising from the implementation of the very scheme for which the land is compulsorily acquired has to be excluded. On this basis, Mr. Patil submitted that the proposed use of the acquired lands for the

Navi Mumbai Project could not be taken as a ground for determining a higher market value. Mr. Patil relied upon an unreported judgment of this Court in *Bhagwatiprasad Rambhai Patel and Others v. State of Maharashtra,* First Appeal No. 1605 of 2016. That case concerned lands acquired in 1965 in Village Airoli. He pointed out that, although the acquired lands were situated near an industrial area, this Court had awarded compensation at the rate of Rs. 20 per square metre. He relied upon this decision to support his submission that proximity to an industrial area, , would not justify awarding compensation at a higher rate. Mr. Patil referred to the judgment of the Supreme Court in *Rajashekar Sangappa Thandi v. Assistant Commissioner and Land Acquisition Officer,* (1990) 6 SCC 642. Relying upon paragraph 6 of the said judgment, he submitted that where no development existed in the area on the date of the acquisition notification, the Court could not take the future development potential of the acquired lands into consideration for determining compensation, even if the lands were being put to non-agricultural use. According to him, clause 5 of Section 24 prohibited consideration of such future potentiality.

**9.** Mr. Shriram Kulkarni, the learned Advocate appearing for the Claimants in First Appeal No. 957 of 2026, submitted that the responsibility of proving the reasons and the extent of deductions required to be made while determining the market value lies upon the State Government. According to him, if the State Government does not produce evidence on this issue, the Court

cannot, on its own, decide that a particular deduction should be made from the market value of the land. He submitted that, in the judgment in *Trimbak Joma Thakur* , the Division Bench had deducted 25% from the market value and determined the rate at Rs. 1,725 per square metre. He contended that, in the absence of any positive evidence produced by the State Government to show that a deduction exceeding 25% was necessary for the lands acquired in Village Wadghar, the deduction made in *Trimbak Joma Thakur* was and in accordance with law. He submitted that the State Government is required to lead evidence regarding the deductions so that the Claimants get an opportunity to challenge the proposed deductions and show why they are not justified. In the absence of such evidence, the Claimants have no opportunity to establish that the deduction proposed or made by the Court is higher than what the facts of the case would justify.

**10.** Mr. Kulkarni referred to the cross-examination of the Claimant and submitted that the suggestions made by the State Government established that a railway line used for goods transportation passed through Village Wadghar and that the highway was situated at a distance of about one kilometre. He contended that these circumstances supported the Claimants' case regarding the location and advantages of the acquired lands. He submitted that the State Government had not even put a specific suggestion to the Claimant during cross-examination regarding the extent of deduction that should be made while determining the market value. Referring to the evidence of the

valuer, Mr. Kulkarni submitted that, in paragraph 21 of the report, the valuer had adopted a systematic method for calculating the freehold market value of the plots covered by the lease transactions. According to the valuer, the lessor's interest was taken at 40% and the lessee's interest at 60% of the value. After making the necessary calculations, the valuer deducted 33% towards development expenses and 30% towards the difference in location of the lands covered by the transactions. Mr. Kulkarni submitted that these deductions had been considered while arriving at the market value of the acquired lands. He pointed out that, even during the cross-examination of the valuer, the State Government had not questioned the extent of deduction adopted by her. Mr. Kulkarni then referred to the lease transaction relating to Shakti Construction, which had been considered by the Division Bench in *Trimbak Joma Thakur* while determining the market value of lands in Village Roadpali. He submitted that the lease agreement in that case was executed only eight to nine months after the date of acquisition in the present case. He pointed out that the notification under Section 4 of the Land Acquisition Act, 1894, in the present case was issued on 24 September 1986. According to him, the short interval between the acquisition notification and the lease transaction made the said transaction relevant for determining the market value. Referring to the lease deed executed with Shakti Construction, Mr. Kulkarni submitted that the responsibility for arranging electricity and water supply was placed upon the lessee. The

lessee was required to pay the charges for these facilities. He pointed out that Clause 10 of the lease deed stated that an approach road was not available up to the plot and that the road extended only up to its boundary. Clause 11 required the lessee to carry out the internal development work at its own cost. Despite these conditions, the plot admeasuring 1,466.384 square metres had been allotted at a premium of Rs. 2,727 per square metre. He submitted that the transaction was relevant for determining the market value, even though the plot did not have all the necessary development facilities.

**11.** Mr. Kulkarni referred to the second transaction considered in *Trimbak Joma Thakur* , namely, the lease transaction dated 16 October 1984 relating to Way Bridge at Kalamboli. The lease premium for a plot admeasuring 420 square metres was Rs. 1,873.28 per square metre. On the basis of this premium, the valuer calculated the market value of the land on the date of the lease deed at Rs. 4,958.05 per square metre. After considering the lessor's interest at 40% and the lessee's interest at 60%, and applying an annual compounded escalation rate of 15%, the total market value was calculated at Rs. 6,557 per square metre. Mr. Kulkarni submitted that, under Clauses 8 to 11 of the second lease deed relating to Way Bridge, the responsibility for carrying out development work was placed upon the lessee. According to him, the conditions in that lease deed were similar to those imposed under the lease deed executed with Shakti Construction. Referring to the valuer's report, Mr. Kulkarni submitted that even

if the first transaction relating to Way Bridge was excluded because the plot measured only 420 square metres, the lease transaction relating to Shakti Construction would still provide a reliable basis for determining the market value of the acquired lands. He contended that the transaction relating to Shakti Construction could be relied upon for determining the market rate. Mr. Kulkarni submitted that, after the notification issued in 1970 in relation to the Navi Mumbai Project, the transfer of rights, title, and interest in the lands covered by the project was prohibited. According to him, this restriction resulted in the absence of sale transactions which could otherwise have been used to determine the market value of the acquired lands. He submitted that the Division Bench in *Trimbak Joma Thakur* had correctly considered three lease transactions executed by CIDCO in favour of different lessees. He contended that, on the basis of the market values calculated by the valuer from the transactions relating to Way Bridge and Shakti Construction, even after deducting 33% towards development expenses, the Claimants would be entitled to compensation at Rs. 1,832 per square metre.

**12.** Mr. Kulkarni relied upon the judgment of the Division Bench of this Court in *Abdul Aziz Husenmiya Patel vs. The Special Land Acquisition Officer,* First Appeal No. 875 of 1985, decided on 16 March 2000. He drew my attention to the submissions made by the State Government in that case concerning lands situated in Villages Pendhar, Taloja, Ove and Kharghar. The acquisitions considered in that matter related to

the period between 1970 and 1986. Mr. Kulkarni submitted that, in *Abdul Aziz Husenmiya Patel*, the State Government had argued that development expenses should be deducted from the market value of the acquired lands and that a deduction of 30% would be appropriate. However, after considering the submissions and giving its reasons, the Division Bench relied upon an earlier judgment and made a deduction of only 10% towards development expenses. He submitted that, in matters relating to land acquisition for the Navi Mumbai Project, this Court had previously considered a deduction of 10% to be appropriate in the circumstances of that case. According to him, some deduction would be required while considering the lease transactions relied upon by the Claimants, but there was no justification for making an excessive deduction.

**13.** Mr. Kulkarni relied upon the judgment of another Division Bench of this Court in *State of Maharashtra v. Govindrao Narayanrao Ghorpade,* 1983 SCC OnLine Bom 26. In that case, the Court considered, among other issues, the extent of deduction required where the market value of land was determined on the basis of the plot system. Referring to paragraph 98 of the judgment, he submitted that, on the basis of valuation principles discussed in recognised books on the subject, the Division Bench held two methods by which the acquiring body could establish the deductions required for development. First, the acquiring body could produce evidence of the development scheme prepared by the owner, showing the extent

of land required for internal roads and other purposes. The value of that portion of land, along with the related expenses, could then be deducted from the total value. Secondly, where such specific evidence was not available, the acquiring body could follow the accepted method of deducting one-third of the value to bring undeveloped land on a comparable footing with developed plots in the neighbouring area. Mr. Kulkarni drew my attention to the description of the acquired lands in the relevant documents. He submitted that, out of the total area of 40 acres, an area of 35.7 acres was described as non-agricultural land. He pointed out that the Award relating to the acquisition described the acquired land measuring 35.7 acres as non-agricultural land. According to him, this description was relevant while considering the nature and market value of the acquired lands.

**14.** Mr. Kulkarni submitted that this Court, in *State of Maharashtra v. Narayan Gosavi,* First Appeal No. 1983 of 2025, decided on 11 August 2026, concerning Village Bokadvira, had considered the earlier judgments relating to Village Padghe and Village Bokadvira and determined the market rate at Rs. 1,725 per square metre. He pointed out that the Court had considered the judgment of the Supreme Court in *Babibai Babu Patil*. In paragraph 104 of its judgment, this Court considered the State Government's submission that lands situated in different villages could not be given the same market rate merely because the villages were close to each other, where their location, development and potential were different. Mr. Kulkarni

submitted that, in paragraphs 97 to 108, this Court had examined the earlier judgments relied upon for determining the rate of Rs. 1,725 per square metre. He contended that there was no reason to reconsider the market value determined in relation to Village Bokadvira. On this basis, he requested that the Claimants be granted compensation at Rs. 1,725 per square metre.

**15.** Mr. Punde, the learned Advocate appearing for the Claimants in First Appeal No. 141 of 2025 and the connected Appeals concerning Village Wadghar, submitted that the Reference Court had awarded different rates of compensation in the 28 Appeals arising out of the acquisition of lands in Village Wadghar. He placed a chart on record showing the rates claimed by the Claimants and the rates granted by the Reference Court. According to him, except in First Appeal Nos. 851 of 2025 and 548 of 2025, the Claimants had claimed compensation at Rs. 2,000 per square metre. He pointed out that the Reference Court had awarded different rates, namely, Rs. 889, Rs. 1,450, Rs. 820 and Rs. 1,725 per square metre. He submitted that, in three Appeals, the Reference Court had awarded Rs. 1,735 per square metre. In First Appeal No. 141 of 2025, the rate awarded was Rs. 1,450 per square metre, while in most of the remaining matters, the rate awarded was Rs. 889 per square metre, except in First Appeal No. 423 of 2019. He pointed out that, in First Appeal No. 423 of 2019, the Claimants had claimed compensation at Rs. 2,500 per square metre. Mr. Punde referred to the evidence of the Claimant and the valuer in First Appeal No. 141 of 2025 and

submitted that he adopted the submissions made by Mr. Kulkarni in the other Appeals. He relied upon the judgment of this Court in First Appeal No. 1983 of 2025, concerning Village Bokadvira, in which the Court had considered the expert valuation report and the earlier evidence relating to lease transactions. He pointed out that, in paragraph 49 of that judgment, this Court relied upon the judgment of the Supreme Court in *Trishala Jain and another v. State of Uttaranchal,* reported in (2011) 6 SCC 47, and determined the market rate at Rs. 1,725 per square metre. Referring to paragraphs 72 to 74 of the said judgment, Mr. Punde submitted that this Court had considered the nature of the Navi Mumbai Project, which had been contemplated in 1996, and the fact that the villages concerned had been brought within a common development exercise. He submitted that the Court relied upon the judgment of the Supreme Court in *Ali Mohammad Beigh and others v. State of Jammu and Kashmir,* reported in (2017) 4 SCC 717, while determining the rate of Rs. 1,725 per square metre. He referred to paragraphs 92 and 96 of the judgment, in which this Court had examined the relevant factors concerning Village Bokadvira in detail before arriving at the said rate. Mr. Punde submitted that the market rate of Rs. 1,725 per square metre determined by this Court for Village Bokadvira should be applied to the acquired lands in Village Wadghar. He pointed out that Village Wadghar adjoins the city of Panvel and that the lands in question were situated closer to Panvel than the lands in Village Bokadvira. According to him, if

the rate of Rs. 1,725 per square metre was considered appropriate for Village Bokadvira, the same rate could be applied to Village Wadghar. He submitted that the judgment concerning Village Bokadvira had examined the question of deductions required to be made while determining market value. Therefore, according to him, there was no reason to make any change in the rate determined in that judgment. He accordingly requested that compensation at Rs. 1,725 per square metre be granted to the Claimants in all the Appeals.

**REASONS AND FINDINGS:**

**16.** I have gone through the submissions made by them and the judgments referred to before me. The question which has to be decided is what was the market value of the acquired lands situated in Village Wadghar on 24 September 1986, when the notification under Section 4 of the Land Acquisition Act, 1894, was published. The Court is not concerned with the price which these lands may fetch at present or the value which they received after the development of Navi Mumbai. The Court has to consider the position as it was on the date of notification and find out what price a willing purchaser would have paid to a willing seller for these lands at that time.

**17.** In *Chimanlal Hargovinddas v. Special Land Acquisition Officer, Poona,* (1988) 3 SCC 751, the Supreme Court held that the Reference Court does not sit in appeal over the Award passed by the Special Land Acquisition Officer. The Award is an offer

made by the acquiring authority, and the Reference Court has to decide the market value again on the basis of the evidence brought before it. The Court has to consider the matter from the position of a purchaser who is ready to buy the land and pay a price for it. In the same way, the owner is considered as being ready to sell the land for a price. The Court must consider the evidence as a whole and cannot accept the amount claimed by the landowners or the amount offered by the State Government merely because that amount has been stated by them.

**18.** The same approach has to be followed in the present case. The State Government is claiming a much lower rate, whereas the landowners are asking for a higher rate. Neither amount can be accepted only because one side has put forward that figure. The Court has to examine whether the amount is supported by the evidence, whether the transactions relied upon can be compared with the acquired lands and whether the advantages and disadvantages of the lands have been considered. In *Hookiyar Singh*, the Supreme Court held that compensation cannot be fixed on the basis of imagination. The Court has to consider what price a purchaser would have paid in the open market. This test has to be applied while considering the entire evidence. The market value is not confined to the agricultural use which was being made of the land. The possibility of another use can be considered, provided such possibility existed on the date of notification and is supported by the surrounding circumstances. But a mere hope that the land may become

valuable in future cannot be enough. There must be some material showing such possibility. Similarly, the advantages which existed cannot be ignored only because the lands were still being cultivated. The value has to be determined by considering the condition of the lands, their location, surrounding development and future potential together. The disadvantages of the acquired lands have to be considered. The fact that a highway is situated nearby does not make agricultural land equal in value to a developed commercial or industrial plot. A developed plot may have an approach road, electricity, water supply, drainage and other facilities. A large area of agricultural land may require considerable expenditure and time before it can be developed and used in the same manner. A purchaser would naturally keep these difficulties in mind before deciding the price. Therefore, the advantages arising from the location cannot be considered without looking at the condition of the land and the expenditure which may be required for its development. In the same way, the absence of a school, hospital or other civic facility in the village does not mean that the land has no development potential. The village may still be used for agriculture but may be situated near a growing town, transport route or industrial area. A purchaser may consider these circumstances and may be ready to pay a higher price because the land has some possibility of being used for another purpose in future. The absence of full development is a disadvantage, but it is not the only circumstance which has to be considered. The Court must look at the advantages as well as

the disadvantages and decide their combined effect on the market value.

**19.** In *Chimanlal Hargovinddas*, the Supreme Court held that the Court should identify the transaction which is most comparable with the acquired land and then make adjustments for its positive and negative features. The size of the land, its location, access, surrounding development and the time between the transaction and the notification may all have importance. There is no fixed formula which can be applied in every case. The comparison has to be made in a practical manner, as a purchaser would make it. In *Viluben Jhalejar Contractor v. State of Gujarat*, (2005) 4 SCC 789, the Supreme Court held that the situation, advantages, disadvantages and potential of the land must be considered, and suitable adjustments have to be made wherever required. The landowners cannot say that the highway, railway line and nearby industrial estates require the acquired lands to be valued as fully developed plots. In the same manner, the State Government cannot say that the lands were agricultural and certain civic facilities were absent, and their location and potential should receive little or no importance. All the material has to be considered together. The rate determined must reflect the condition of the lands on 24 September 1986, and not the condition which came into existence after later development.

**20.** In *Sabhia Mohammed Yusuf Abdul Hamid Mulla,* the Supreme Court considered the acquisition of lands for the New

Bombay Project and held that the situation of the land, its use, its advantages and the evidence regarding the value of nearby lands are important while determining compensation. This judgment makes it clear that the Court must examine the circumstances of the acquired lands. Their market value cannot be decided merely by referring to the purpose for which the lands were acquired.

**21.** There is a difference between the potential which the land had and the benefit which came into existence only because the acquisition scheme was implemented. If the land was situated near an existing town, highway or railway facility on the date of notification, these circumstances may be considered while determining its value. But if some advantage came into existence only after acquisition, or only because of the scheme, that later benefit cannot be added to the market value as if it was available to the owner on the relevant date. Otherwise, the Court would be deciding compensation by looking at what happened after acquisition, instead of considering what a purchaser could have considered before acquisition.

**22.** In *Hookiyar Singh*, the Supreme Court held that compensation cannot be fixed on imagination or on the basis of an assumed future use. The Court has to consider the use of the land and the evidence showing its potential. This does not mean that every land used for cultivation must be valued only as agricultural land. It means that the possibility of another use must be judged from the circumstances which existed on the date

of notification. A purchaser may be ready to pay more for agricultural land situated near a developed town than for similar land situated in a remote village. But the purchaser would consider whether access was available, whether development was possible and what expenditure might be required before the land could be used for another purpose.

**23.** Applying these principles, the location of Wadghar near Panvel, the highway, the railway line and the surrounding industrial estates are relevant circumstances. They cannot be ignored merely because the lands were being used for agriculture. At the same time, the Court cannot assume that the acquired lands had acquired the value of developed commercial or industrial plots. The question is how much value these existing advantages and potential would have added to the lands, after considering their agricultural use and the limitations which existed in 1986. The first important circumstance is the location of Village Wadghar. The material relied upon by the parties shows that Wadghar is situated near Panvel. The Panvel-Uran State Highway is stated to be about one kilometre from the acquired lands. There is material showing that a railway line used for goods transportation passes through the village. The Jawaharlal Industrial Estate and the Panvel Industrial Estate are stated to be situated at a short distance. These circumstances have to be considered because a purchaser in 1986 would not look only at the fact that the lands were being used for agriculture. The purchaser would consider the surrounding area, the transport

facilities and the possibility that the lands might become useful for another purpose in future. The nearness of Panvel is relevant because an established town may provide access to markets, transport and other facilities which may not be available in a remote agricultural area. The highway may help in the movement of persons and goods. The railway line may be useful for transportation, when there is industrial activity in the surrounding area. The nearby industrial estates may indicate that some development activity was taking place in the area. These circumstances do not prove that the acquired lands could immediately be used for industrial purposes. But they are relevant for deciding whether the lands had better potential than agricultural lands situated far away from a town or transport facilities.

**24.** In *Chimanlal Hargovinddas* and *Viluben Jhalejar Contractor*, the Supreme Court required the Court to consider the situation of the land and its advantages and disadvantages while comparing it with other evidence. The same approach has to be followed here. The Court must consider how far the acquired lands could benefit from the highway, railway line and industrial estates. Merely because these facilities are situated somewhere nearby, it cannot be assumed that every part of Wadghar had the same access or the same value. The exact position of the acquired lands and the evidence about their access must be considered. But if the evidence shows that these facilities were accessible, their existence is a positive feature which a purchaser would take

into account. The State Government is right in saying that these circumstances cannot make the lands equal to fully developed plots. Their agricultural use and the absence of certain civic facilities must be considered. But these disadvantages do not remove the advantages arising from the location. Both aspects have to be weighed. If the acquired lands had better location advantages than agricultural lands in remote areas, their value could be higher than the value of such remote lands. The Court must avoid both extremes. It cannot value Wadghar as if it was a developed industrial area, and it cannot value it as if it was situated far away from Panvel and the surrounding transport and industrial facilities.

**25.** There is material concerning the earlier acquisition of lands in Village Wadghar under the notification dated 3 February 1970. In *Ambaji Dharma Pardeshi v. State of Maharashtra*, Civil Appeal Nos.5088-5089 of 2013, the Supreme Court considered the compensation payable for those lands. The Special Land Acquisition Officer had awarded Rs.1.50 per square metre. The Reference Court fixed the market value at Rs.15 per square metre, but the High Court reduced it to Rs.10 per square metre. The Supreme Court restored the rate of Rs.25 per square metre for that acquisition. This judgment is relevant because it concerns the same village and records findings about its location and the advantages which existed at the time of the earlier acquisition. It helps in understanding the general situation of Wadghar. The decision shows that the location and potential of the village were

relevant while determining market value, even though the lands were being considered in an earlier acquisition. The judgment may assist the Court in understanding the geographical position and development circumstances of Wadghar. However, it does not decide the market value of the lands acquired under the notification dated 24 September 1986. The difference between the two acquisition dates has to be kept in mind. The rate of Rs.25 per square metre was fixed for the 1970 acquisition on the evidence relating to that acquisition. The present Court has to determine the market value more than sixteen years later. During this period, the development of the surrounding area, demand for land, transport facilities and general market conditions may have changed. The earlier judgment cannot be treated as if it had fixed the market value for every later acquisition in Wadghar. The use of *Ambaji Dharma Pardeshi* is to consider its findings about the location and potential of Wadghar, while deciding the rate applicable in 1986. This is consistent with *Chimanlal Hargovinddas*, which requires the market value to be assessed on the date of the relevant Section 4 notification. The earlier rate forms part of the valuation history of Wadghar, but it is not the final answer to the present question. The Court has to consider the evidence and circumstances relevant to the later date and decide what price a purchaser would have paid on 24 September 1986.

**26.** In *Ambaji Dharma Pardeshi*, the Supreme Court considered the location of Village Wadghar in relation to Panvel. The Court

noticed that Wadghar was about 1.5 kilometres from Panvel, whereas Village Wahal, which had been considered in an earlier judgment, was about nine kilometres away. The material before the Supreme Court referred to the highway, the railway track, the college established in the village before 1970, the development around Panvel and the possibility of non-agricultural use. After considering the relevant material, the Supreme Court restored the rate of Rs.25 per square metre for the 1970 acquisition. These findings are relevant because they show that Wadghar was not treated as a isolated agricultural village even at the time of the earlier acquisition. The nearness of Panvel and the transport facilities were important circumstances. The difference in distance between Wadghar and Wahal was considered while comparing the location of the lands. This supports the view that the geographical position of Wadghar must receive consideration while deciding the market value of the present acquired lands. However, the rate of Rs.25 per square metre was fixed for the 1970 notification. It does not follow that the same rate, or any particular increase over it, must be applied to the 1986 notification. Similarly, the earlier reference to a college does not prove that the college was functioning on 24 September 1986. The evidence in the present Appeals has to be examined to find out what facilities were available on the relevant date. The earlier judgment shows that the location of Wadghar near Panvel and its connection with transport and surrounding development were matters of importance. The present Court can take these findings

into account while considering the location and potential of the acquired lands. It must then examine the evidence about their agricultural use, access and the civic facilities available in 1986. The market value has to be decided by considering all positive and negative features together, and not by relying only upon the rate fixed for the earlier acquisition.

**27.** The State Government has relied upon the rate of Rs.25 per square metre fixed for the 1970 acquisition and has submitted that the market value for 1986 should be calculated by applying a yearly increase to that amount. Such increase may be a useful method in a case, where a reliable earlier rate is available and there is no better evidence of market value on the relevant date. But it cannot be applied as a fixed mathematical exercise in every case. The Court must first consider whether the earlier land and the present land are comparable and whether the conditions affecting land prices remained similar during the intervening period.

**28.** In *ONGC Ltd. v. Rameshbhai Jivanbhai Patel*, (2008) 14 SCC 745, the Supreme Court considered the use of escalation while deciding market value. The principle is that the rate of increase cannot be applied mechanically without considering the facts. The increase in land prices may depend upon the location, development in the surrounding area, availability of land, demand, and other local circumstances. Prices may increase at different rates in different areas and during different periods.

Therefore, the same percentage cannot safely be assumed to apply every year unless the evidence supports such a method. In the present case, the gap between the 1970 and 1986 notifications is more than sixteen years. The Court cannot assume that the price of land in Wadghar increased by the same percentage every year throughout this period. There may have been changes in development, demand and the surrounding market. A calculation made on the basis of an assumed annual percentage may produce some figure, but that figure may not represent the market value on 24 September 1986. The calculation has to be supported by evidence and must reflect the circumstances of the acquired lands.

**29.** The present Appeals are not without other comparative material. The parties have relied upon lease transactions and judgments concerning lands acquired for the same larger project and under the same 1986 notification. These materials have to be examined on their own merits. If they provide a more direct basis for determining the market value on the relevant date, it would not be to ignore them and rely only upon an assumed increase from the 1970 rate. The 1970 judgment has a limited role. It assists the Court in understanding the location and potential of Wadghar and provides background for the valuation. But it cannot determine the market value for 1986. The State Government's argument for yearly escalation cannot be accepted unless the rate of increase and its application to these lands are supported by reliable material. The Court has to consider all the

evidence and decide what price a willing purchaser would have paid on the date of the present notification.

**30.** The next question is the nature and condition of the acquired lands in 1986. The State Government relies upon the admissions of the claimant and the valuer to show that the lands were being used for agriculture and that several civic facilities were not available in the village. These admissions are relevant and cannot be ignored. They have to be considered while determining the market value. If the lands were being used for rice cultivation and did not have the facilities available in a developed area, a purchaser would not pay the same price as for a developed commercial or industrial plot. The agricultural use is a negative feature when the acquired lands are compared with fully developed plots. But it is not the only feature which determines their value. Agricultural lands may have different values depending upon their location and potential. Agricultural land near an established town and transport facilities may have a different price from similar land situated in a remote area where there is little possibility of development. The Court has to examine the particular lands and cannot treat every agricultural land as having the same value.

**31.** In *Chimanlal Hargovinddas*, the Supreme Court held that the Court must identify comparable evidence and make adjustments for the positive and negative features of the acquired lands. In *Viluben Jhalejar Contractor*, the Supreme Court held the

importance of the situation, surrounding development and potential of the land. These judgments do not permit the Court to ignore the agricultural use. They require the Court to consider that use along with the other circumstances and decide what effect it would have had on the price.

**32.** The State Government's argument is correct to the extent that the acquired lands cannot be valued as fully developed plots only because they were near transport facilities and industrial estates. But it would not be correct to hold that agricultural use alone justifies a low rate. The Court has to consider whether the location and surrounding development gave the lands a real advantage over agricultural lands situated elsewhere. The valuation must reflect the position in 1986, including both the limitations arising from agricultural use and the advantages arising from the location of Wadghar. The documents relied upon by the Claimants describe a substantial portion of the land as non-agricultural. But it cannot be read from the evidence about the use and condition of the land. Even if a document describes the land as non-agricultural, it does not prove that the land was fully developed, that it had a approach road, or that water, electricity, drainage and other facilities were available. The Court has to see what the document proves and how it fits with the remaining evidence. Land may have non-agricultural potential and still continue to be used for agriculture. Similarly, a change in classification does not mean that the land has become a developed plot ready for commercial or industrial use. The Court

has to consider the description given in the documents, but it must examine the condition of the land on the date of the notification.

**33.** In *Chimanlal Hargovinddas* and *Viluben Jhalejar Contractor*, the Supreme Court required the Court to examine the land and compare it with the evidence relied upon. The question is not only what description has been given to the land. The question is what a purchaser would have considered while deciding the price. The purchaser would consider whether the land could be used for another purpose, whether it had access to necessary facilities, whether development was required and whether the proposed use was possible. The Claimants are not entitled to have the lands valued as fully developed plots merely because some documents describe them as non-agricultural. But the State Government cannot ignore those documents and rely only upon the fact that rice cultivation was taking place. Both aspects have to be considered. The agricultural use is a negative feature, while the recorded description and the potential arising from the location may be positive features. The Court has to consider their combined effect and should not give decisive importance to only one of them.

**34.** The State Government has relied upon the absence of a school or college in Village Wadghar in 1986. The earlier proceedings in *Ambaji Dharma Pardeshi* recorded that an Arts, Science and Commerce College had been established in the

village before the 1970 acquisition. However, the material available does not show whether that college continued to function on 24 September 1986. I do not proceed on the assumption that the college was functioning on the date of the present notification. Such a finding cannot be made merely because the college had existed before the earlier acquisition. At the same time, the earlier judgment cannot be read as showing that Wadghar was an isolated village. The findings about its proximity to Panvel and the transport facilities is relevant for understanding the location of the village. The absence of evidence about the college in 1986 means that the Court should not treat the existence of that college as a proved facility on the relevant date. But it does not require the Court to ignore the other evidence concerning the highway, railway line, nearby industrial estates and the relationship of Wadghar with Panvel. The absence of a local school or hospital is a negative factor. Such facilities may affect the convenience of living in an area and the extent of its development. But market value cannot be decided only by asking whether every civic facility was available within the village. A purchaser would consider how near the village was to other towns and what transport facilities were available for reaching them. The importance of the absence of a particular facility will depend upon the overall location of the land and the evidence concerning the surrounding area.

**35.** In *Chimanlal Hargovinddas* and *Viluben Jhalejar Contractor*, the Supreme Court held that the Court must consider

the advantages and disadvantages together and make a assessment. Applying this approach, the absence of a school or hospital in Wadghar in 1986 must be taken into account, but it cannot decide the market value. It does not establish that the land had no development potential or that it must be valued in the same way as land in a remote area. The Court has to consider this negative feature along with the proximity of Panvel, the highway, the railway line and the nearby industrial estates. The final valuation must reflect the condition of Wadghar on 24 September 1986, without assuming facilities which have not been proved and without ignoring advantages which the evidence does establish.

**36.** The first judgment to be considered is the judgment of the Division Bench of this Court in *Trimbak Joma Thakur*. In that case, the Court had to decide the market value of lands at Village Roadpali which were acquired for the Navi Mumbai Project. The Court looked at the lease transactions of plots allotted by CIDCO and, after deducting 25%, fixed the market value at Rs.1,725 per square metre. This rate was later considered in several other cases concerning lands acquired for the same project. The Claimants say that the lands in the present Appeals form part of the Navi Mumbai Project and were acquired under the notification dated 24 September 1986. They say that there is no reason to fix another rate when this Court has fixed the rate at Rs.1,725 per square metre. The State Government says that the same rate cannot be accepted only because it was granted in an

earlier judgment. It relies upon *Babibai Babu Patil*, where the Supreme Court asked this Court to examine whether the commercial and industrial plots relied upon in the earlier cases were examples for fixing compensation and whether the necessary deductions had been made. The Court has to find the market value of the particular lands acquired in the present case. In *Chimanlal Hargovinddas*, the Supreme Court held that the Court must first find similar transactions by considering their time and location. Thereafter, suitable adjustments must be made for the advantages and disadvantages of those properties as compared with the acquired lands. The same principle was held in *Viluben Jhalejar Contractor*. Therefore, the rate fixed for Roadpali cannot be applied to Wadghar without examining the differences between the two places and the lands situated there. At the same time, the earlier judgment cannot be ignored only because a later judgment has asked the Court to examine the valuation carefully. The Court must consider the transactions relied upon in *Trimbak Joma Thakur*, the deductions made in that case, the condition of the lands in the present Appeals and the later judgments concerning similar lands. If, after considering all these matters, the earlier rate is found to give a fair idea of the market value of the present lands, there is no reason to reject it only because the earlier case concerned another village. However, the final rate must be supported by the evidence available in these Appeals.

**37.** The objection of the State Government must be examined

in view of the Supreme Court judgment in *Babibai Babu Patil*. In paragraph 3 of that judgment, the Supreme Court observed that the Award relating to Village Roadpali "cannot be said to be binding". It directed that the question whether deductions were made for development and the smallness of the plots "has to be considered by the High Court." The Supreme Court observed that "appropriate deduction is required to be made when, in the case of village Rodpali, two transactions pertaining to commercial/industrial purposes had been relied upon." These observations show that the Supreme Court wanted the Court to examine how the market value was worked out. A commercial or industrial plot may fetch a higher price than agricultural land. Such a plot may be allowed to be used for commercial purposes, may have better access and facilities, or may be situated in an area where development has taken place. Agricultural land may require money to be spent on roads, drainage, electricity, water supply and other facilities before it can be divided into plots for another purpose. If the price of a commercial plot is accepted without considering these differences, the compensation for agricultural land may become more than what is justified. But this does not mean that all commercial or industrial transactions must be ignored. In *Administrator General of West Bengal v. Collector, Varanasi*, (1988) 2 SCC 150, and *Chimanlal Hargovinddas*, the Supreme Court held that the advantages and disadvantages of the comparable property must be considered and adjustments made. The question is whether the transaction,

after such adjustments, gives a reliable idea of the market value of the acquired land. *Babibai Babu Patil* does not fix a different market value for all lands acquired for the Navi Mumbai Project. It requires the Court to examine the evidence and give reasons for accepting or rejecting the earlier rate. Therefore, the State Government is right in saying that Rs.1,725 per square metre cannot be accepted only because it was fixed in *Trimbak Joma Thakur*. But the State Government must explain, with reference to the evidence, why that rate should not be accepted in the present case. The Court must examine the transactions, the development deductions and the condition of the acquired lands. The judgment does not direct the Court to reduce the market value by any fixed percentage without considering the facts of the case.

**38.** The lease transactions relied upon in *Trimbak Joma Thakur* must now be examined. The State Government points out that these transactions related to plots allotted by CIDCO for commercial or industrial purposes. One transaction concerned a plot measuring 4,420 square metres at Kalamboli, which was given on lease for 60 years. The material relating to that plot showed that water and electricity facilities were available. Another transaction concerned a plot allotted at a premium of Rs.345.87 per square metre. A third transaction related to a plot measuring about 1,466 square metres, which was allotted at a premium of Rs.2,727 per square metre. The State Government says that these plots were meant for commercial use and were

situated in an area where development had taken place. According to it, their prices cannot be treated as the market value of undeveloped agricultural lands at Village Wadghar. There is some force in this argument, but it does not mean that the transactions must be ignored. A lease transaction is different from an sale because the rights given to the lessee depend upon the terms and period of the lease. The premium may depend upon the purpose for which the plot was allotted and the facilities available there. The Court must find out what rights were given, what obligations were placed upon the lessee and what advantages the lessee received. In *Viluben Jhalejar Contractor*, the Supreme Court held that both the favourable and unfavourable features of a comparable transaction must be considered. A small plot, closeness to a road and nearness to a developed area may increase the value. A large area, distance from a developed place and other disadvantages may reduce it. These principles apply to the present case. The plots relied upon by the Claimants may give some idea of land values in the surrounding area, because it is stated that reliable sale transactions near the acquisition date are not available. However, the difference between commercial plots held on lease and agricultural lands must be considered. The Court should neither accept the lease premiums as the full market value of the acquired lands nor reject them only because the plots were allotted for commercial or industrial use. Their value as evidence depends upon whether the differences can be identified and

adjustments made. Each transaction must be examined before deciding how much importance can be given to it for fixing the final market value.

**39.** The transaction relating to Shakti Construction requires consideration because it took place about eight to nine months after the notification dated 24 September 1986. The plot measured 1,466.384 square metres and was allotted at a premium of Rs.2,727 per square metre. The short period between the notification and this transaction is an important circumstance. In *Viluben Jhalejar Contractor*, the Supreme Court held that the closeness of a transaction in time and location is important when deciding whether it can be used for comparison. A transaction close to the acquisition date may show the market conditions prevailing at that time, provided the property and the rights granted are comparable. However, the conditions in the Shakti Construction lease deed must be considered. The lessee had to arrange for water and electricity supply and pay the charges for those facilities. Clause 10 stated that the approach road extended only up to the boundary of the plot. Clause 11 required the lessee to carry out internal development at its own cost. These conditions show that all facilities required for using the plot were not available. The Claimants are justified in saying that the premium cannot be treated as the value of a fully developed commercial plot. The lessee had to spend money, and this obligation would have been relevant when the premium was fixed. At the same time, the plot was allotted by CIDCO for

commercial or industrial use. The permitted use, location and rights granted may have increased its value in a way which did not apply to the acquired agricultural lands in the same manner. The Court must consider both sides. The lack of some facilities supports the Claimants' argument that the plot was not fully developed. The commercial or industrial use supports the State Government's argument that the plot cannot be compared with agricultural land. The transaction is relevant because it was close to the acquisition date and its conditions show what the lessee was required to do. However, the premium of Rs.2,727 per square metre cannot be taken as the market value of the acquired lands. Adjustments must be made for the differences in rights, use, size, location and development before this transaction can be used for fixing compensation.

**40.** The transaction relating to Way Bridge at Kalamboli needs to be considered. The lease deed was dated 16 October 1984 and concerned a plot measuring 420 square metres. The lease premium was Rs.1,873.28 per square metre. The valuer calculated the market value of the plot on the date of the lease deed at Rs.4,958.05 per square metre. He then considered the respective interests of the lessor and the lessee and applied an annual compounded increase of 15%, arriving at Rs.6,557 per square metre. The Claimants say that the lessee was required to carry out development under the lease deed and that the transaction gives an idea of the value of land in the area, even though all facilities were not available. The State Government

says that the plot was small and intended for a particular commercial purpose, and cannot be compared with the acquired agricultural lands. In *Viluben Jhalejar Contractor*, the Supreme Court recognised that a small plot may have a higher rate per square metre than a large area. A small plot may be affordable to more purchasers and may be used for its intended purpose without much delay. A large area may require planning, division into smaller plots, internal roads, drainage and other facilities. It may take time before the land can be sold or put to use. The Supreme Court considered this difference in *Manoj Kumar v. State of Haryana*, (2018) 13 SCC 96, while examining the use of small developed plots for determining the value of a large area. Therefore, the rate of a plot measuring 420 square metres cannot be applied to the acquired lands without considering the difference in size. The figure of Rs.6,557 per square metre depends upon the assumptions made by the valuer regarding the interests of the lessor and lessee and the annual increase in value. The Court must examine whether those assumptions are supported by the evidence. A calculation does not become correct merely because it gives an exact figure. The method and the assumptions must be reasonable. The Way Bridge transaction may give some indication of the general level of land values in the region. However, its small size, particular commercial use and lease conditions make it less suitable for comparison. It would not be safe to fix the market value of the acquired lands only on the basis of this transaction. It may be considered along with the

other evidence after accounting for the differences.

**41.** The Claimants have relied upon the valuation report, in which the valuer tried to calculate the freehold market value of the plots covered by the lease transactions. According to the Claimants, the valuer followed a method. He treated the lessor's interest as 40% and the lessee's interest as 60%. He deducted 33% towards development expenses and 30% for the difference in location. On the basis of these calculations, the Claimants say that even after deducting 33% towards development expenses, the market value would be about Rs.1,832 per square metre. They submit that the rate of Rs.1,725 per square metre is and is even lower than the value indicated by their own valuation evidence. The report deserves consideration because it tries to account for the difference between leasehold rights and freehold ownership and the differences in development and location. But the Court cannot accept the final figure of an expert only because detailed calculations have been made. In *Chimanlal Hargovinddas*, the Supreme Court held that comparable transactions must be identified, and suitable adjustments made for the favourable and unfavourable features of the properties. The assumptions made by the valuer must be examined. The division of 40% for the lessor's interest and 60% for the lessee's interest must have a basis in the lease transactions or other reliable material. The development deduction must reflect the work required. The location deduction must reflect the difference between the plots relied upon and the acquired lands. The Court

must ensure that the same disadvantage is not deducted twice. For example, if the lease premium takes account of the fact that the lessee has to provide certain facilities, another deduction for the same reason should not be made without justification. Similarly, if the plot was useful for commercial purposes, an adjustment may be required for the difference between that use and the agricultural use of the acquired lands. The date of the valuer's inspection and the condition of the area at that time must be considered. An inspection made in 1996 cannot prove the condition of the land in 1986. The report is relevant expert evidence, but it does not decide the market value. The Court must examine the assumptions, compare the result with the other evidence and then arrive at its own conclusion. The figure of Rs.1,832 per square metre may support the Claimants' argument that Rs.1,725/- is not excessive. But it does not prove their claim for Rs.2,000 per square metre.

**42.** The question of who must prove the deductions requires consideration. Mr. Kulkarni submitted that the State Government has not produced positive evidence to show that a deduction of more than 25% was necessary. According to him, if the State Government wanted a higher deduction, it should have produced evidence showing how much land was needed for roads, drainage, open spaces and other common facilities, and what expenses would be required for development. He submitted that the Claimants should have been given an opportunity to answer the State Government's case regarding the amount of deduction.

This submission is correct to the extent that deductions cannot be made without a basis. The Court must have material for deciding how much should be deducted from the value of a comparable transaction. If the State Government relies upon a development plan or says that some part of the land would be needed for roads or common facilities, the relevant material should be produced. The landowners can then examine the proposed deduction and explain whether it is necessary or excessive. However, the absence of a valuation report from the State Government does not prevent the Court from considering deductions supported by the evidence on record. The Claimants rely upon commercial and industrial lease transactions for fixing the value of agricultural land. Once these transactions are relied upon, the Court must examine the differences between the properties. This is a necessary part of finding the market value. In *Viluben Jhalejar Contractor*, the Supreme Court held that adjustments must be made after considering the favourable and unfavourable features of both the comparable property and the acquired land. Therefore, the Court need not accept the premium of a commercial plot as the market value of agricultural land merely because the State Government has not produced a expert report. At the same time, the State Government cannot ask for a high deduction without explaining why that percentage is justified. The statements of the Claimants and the valuer may show that the acquired lands were agricultural and lacked some facilities. This may justify a deduction. But the exact percentage

must still be decided according to the facts. The Court must distinguish between the need to make a deduction and the amount to be deducted. The need may be clear from the evidence, but the percentage must be decided after considering the nature and size of the land, the facilities available, the development required and the transactions relied upon. The Claimants' submission is accepted to the extent that an arbitrary or unsupported deduction cannot be made. It is not accepted to the extent that the absence of a report from the State Government prevents the Court from making a deduction which is otherwise justified by the evidence.

**43.** The principles stated in *Govindrao Narayanrao Ghorpade*, are relevant for deciding the deduction. As relied upon by the Claimants, paragraph 98 of that judgment explains that the land required for roads and other common facilities, along with the expenses of development, must be considered while fixing market value. If the development plan or other evidence shows how much land is required for roads and common facilities, the Court may consider that material while deciding the deduction. If such detailed evidence is not available, a method may be adopted by considering the nature of the land and the development required. The Claimants have relied upon *Abdul Aziz Husenmiya Patel*. According to the Claimants, the State Government had asked for a deduction of 30% towards development expenses in that case, but the Division Bench deducted only 10% after considering the evidence and earlier judgments. This decision shows that the

deduction must depend upon the facts of each case. It does not mean that a deduction of 10% must be made in every case relating to the Navi Mumbai Project. The same applies to the 25% deduction made in *Trimbak Joma Thakur*. That percentage may provide guidance, but it is not a fixed rule for every village. In *Brig. Sahib Singh Kalha v. Amritsar Improvement Trust*, (1982) 1 SCC 419, the Supreme Court considered deductions for land required for roads and other facilities and for development expenses. Later judgments, including *Lal Chand*, have held that the percentage depends upon the nature of the land and the circumstances in which the comparable transaction is being used. The Court must examine the condition of the acquired lands at Village Wadghar. The evidence shows that the lands were used for agriculture and were not fully developed. This supports making a deduction. But the lands were near Panvel, the highway, the railway line and the surrounding industrial estates. These advantages may have affected the price a purchaser would have been willing to pay in 1986. The deduction must account for the disadvantages arising from the lack of development without removing the value arising from the location of the lands. It would not be correct to apply the deduction made in another case without examining the circumstances of the present case.

**44.** The Supreme Court judgments make it clear that there is no fixed percentage of deduction which must be applied in every land acquisition case. In *Lal Chand*, the Supreme Court

considered deductions where the value of developed plots is used to find the market value of undeveloped land. The amount depends upon the land required for roads and other common facilities, the expenses needed for development and the differences between the properties. The principles in *Atma Singh v. State of Haryana*, (2008) 2 SCC 568, and *Viluben Jhalejar Contractor* show that the deduction must be decided according to the facts of each case. In *Shankarrao Bhagwantrao Patil v. State of Maharashtra*, (2022) 15 SCC 657, the Supreme Court held that "there cannot be any hard and fast rule" regarding the percentage of deduction. This is important because a deduction is not a punishment for the landowner having undeveloped land. It is an adjustment so that the value of a comparable property is brought to a fair level before it is used for determining compensation. If the comparable property is a small developed plot with roads, drainage and other facilities, while the acquired land is a large undeveloped area, a substantial deduction may be required. But if the acquired land is near an established town and transport facilities are available nearby, the deduction may be different. The size of the acquired land matters. A large area may need to be divided into smaller plots, and internal roads and open spaces may have to be provided. The person carrying out the development may have to wait before the plots are sold and spend money during that period. These matters can affect the price a purchaser would pay. At the same time, the Court must not count the same disadvantage twice. If the price of a

transaction reflects the absence of certain facilities, a deduction for the same reason may not be justified unless the evidence supports it. The question is not whether the deduction must be 25%, 33% or 40%. The question is what adjustment is required in the present case. The Court must decide this after considering the lease transactions, the valuation report, the admissions made during cross-examination and the location and condition of the acquired lands.

**45.** The State Government has relied upon *Lal Chand* to support a much higher deduction. It points out that in that case a deduction of 40% was made for land required for roads, drainage and other common facilities, and a deduction of 35% was made towards development expenses. On this basis, the State Government says that the market value of the acquired lands at Village Wadghar should be reduced and should not exceed Rs.300 per square metre. The judgment in *Lal Chand* is relevant to the question of deductions. However, the percentages used in that case cannot be applied to the present acquisition without examining whether the circumstances are similar. The deduction for roads and common facilities is meant to account for the portion of land which cannot be used as saleable plots or for the intended purpose because it is required for common use. The deduction for development expenses is meant to account for the cost of making the land usable by providing the necessary facilities. These are different matters, and each must have a basis. In the present case, the State Government has shown that the

lands were not fully developed and that some basic facilities were not available in the village. These circumstances justify an adjustment. However, the material before this Court does not show that 40% of the acquired lands would have to be kept aside for roads and other common facilities. Nor does it establish the development expenses required to justify a deduction of 35%. The fact that similar percentages were used in another acquisition does not prove that the same percentages are necessary here. The nature and size of the land, the surrounding development and the facilities available may be different. The Court must consider the principle in *Lal Chand*, but it cannot apply the same figures without a basis. The State Government's argument is accepted to the extent that the value of commercial plots must be adjusted before it is used to find the value of undeveloped agricultural land. It is not accepted to the extent that the deductions of 40% and 35% made in *Lal Chand* must be applied to the lands at Village Wadghar. The deduction must be proportionate to the differences shown by the evidence. A high deduction cannot be made merely because the lands were agricultural, just as a low deduction cannot be made merely because the Claimants rely upon an earlier judgment.

**46.** The State Government says that if deductions of up to 86% are made from an average value of Rs.2,100 per square metre, the market value would come to about Rs.300 per square metre. This calculation cannot be accepted merely because the figures have been worked out. The starting figure of Rs.2,100 per square

metre must be supported by reliable evidence. The deductions must then be justified by looking at the differences between the comparable property and the acquired lands. If the starting value is not established, the calculation based on it cannot give a reliable result. In the same way, if the percentage of deduction is selected without examining the development required, the final figure may not show the true market value. The agricultural use of the acquired lands is a relevant circumstance. It shows that the lands were not fully developed commercial or residential plots. But agricultural use does not mean that the lands had no value arising from their location or their possible future use for non-agricultural purposes. The nearness of Panvel, the highway, the railway line and the surrounding industrial estates must be considered. These factors do not make the acquired lands equal to fully developed plots, but they may have affected the price which a purchaser would have been willing to pay. The State Government has not produced material to show that a deduction of 86% was necessary. There is no clear calculation showing how much land would be required for internal roads and common facilities. There is evidence of the development expenses which would justify the proposed reduction. The Court cannot accept a percentage used in another case without examining whether the same circumstances exist here. At the same time, the Claimants cannot insist that the deduction must be limited to 25% only because that percentage was adopted in *Trimbak Joma Thakur*. The State Government can challenge the earlier rate, and the

Court must consider the differences between the lease transactions and the acquired lands. But the State Government must show a basis for the much higher deduction it seeks. In the absence of such material, the proposed deduction of 86% cannot be accepted. This does not mean that no deduction is required. It means that the deduction must be based on the evidence and must reflect the differences between the properties. The Court must consider the transactions, the valuation report, the condition of the lands and the relevant judgments together. The percentage suggested by either side cannot be accepted without examining the facts.

**47.** The last question is whether the absence of an independent valuation report from the State Government means that this Court must accept the valuation given by the Claimants. The answer is no. The Claimants have to prove the market value which they claim. The State Government can challenge their evidence by relying upon the admissions made during cross-examination, the terms of the lease transactions, the nature of the acquired lands and the differences between those lands and the plots relied upon by the Claimants. The Court must consider all this material even if the State Government has not produced a expert report. In *Chimanlal Hargovinddas*, the Supreme Court held that the Court must identify suitable comparable transactions and make adjustments after considering the favourable and unfavourable factors affecting the properties. In *Viluben Jhalejar Contractor*, the Supreme Court held that market

value cannot be found with mathematical accuracy and that a assessment has to be made from the evidence. The Court must examine the entire record instead of accepting the final figure given by either party. In the present case, the Claimant admitted that the lands were being used for agriculture, for growing rice. The valuer accepted that some civic facilities were not available at Village Wadghar in 1986. These admissions support the State Government's argument that the lands cannot be valued as fully developed commercial plots. They must be given weight. But these admissions do not prove that the market value was only Rs.300 per square metre. They do not show that the lands had no possibility of non-agricultural use or that their nearness to Panvel and the surrounding industrial areas had no effect on their price. The State Government has not given a reliable calculation connecting the proposed deduction of 86% with the condition of the acquired lands. Its argument for reducing the market value to Rs.300 per square metre must be rejected. Equally, the Claimants' reliance upon the valuation report, which shows a value of about Rs.1,832 per square metre after a deduction of 33%, does not prove that they should receive Rs.2,000 per square metre. The assumptions in the report must be examined, and the differences between leasehold commercial plots and the acquired agricultural lands must be taken into account. The Court must consider the earlier acquisition of lands at Village Wadghar, the location near Panvel, the lease transactions and the later judgments concerning similar lands acquired under the same

notification. The judgment in *Narayan Gosavi Patil*, is relevant because it examined the objections arising from *Babibai Babu Patil* and fixed the market value of the lands at Village Bokadvira at Rs.1,725 per square metre after considering the evidence and submissions of both sides. That judgment does not decide the market value of the lands at Wadghar. However, it provides a useful comparison because the lands were acquired for the same project and under the same notification dated 24 September 1986. This Court must examine whether the location and circumstances of Wadghar justify the same rate. On considering the evidence as a whole, the agricultural nature of the lands and the absence of some facilities justify an adjustment from the value of developed commercial plots. But the location near Panvel, the available transport facilities and the surrounding industrial areas must be given importance. The State Government has not established the basis for its proposed deduction of 86%, while the Claimants have not proved that the lands should be valued at the rate of fully developed commercial plots. The market value must be decided by considering these advantages and disadvantages together and giving due weight to the comparable judgments and transactions. The final rate must reflect the market conditions prevailing on 24 September 1986. It cannot be based only upon the percentage suggested by either side.

**48.** The next question is how much importance should be given to earlier judgments concerning lands acquired for the same

project or lands situated in nearby villages. The landowners say that when lands are in the same area and acquired for the same project, the rate fixed by the Court should be followed. The State Government says that the market value of each village and each land has to be decided on the evidence relating to that land. Both sides have some reason in what they say. An earlier judgment cannot be ignored only because it concerns another village. But the rate fixed in that judgment cannot be accepted without checking the facts and the reasons for fixing that rate.

**49.** In *Land Acquisition Officer, City Improvement Trust Board v. H. Narayanaiah*, (1976) 4 SCC 9, the Supreme Court considered the importance of the date for deciding market value and the material relating to the particular acquisition. The main principle is that the market value has to be decided as on the date of the relevant notification. The amount awarded in another case cannot be copied. In *Karan Singh v. Union of India*, (1996) 11 SCC 170, the Supreme Court considered how evidence from other acquisitions can help in deciding compensation. The Court has to examine whether the earlier material can help in deciding the value of the land in the case before it. The same approach has to be followed while considering *Chandrashekhar v. Land Acquisition Officer,* (2009) 14 SCC 441.

**50.** Only because two lands are in the same larger area, it does not mean that both must get the same rate. One land may be near a road, railway station, developed settlement or industrial

area. Another land may be inside the village, may not have access, or may require much expenditure before it can be used for non-agricultural purposes. These differences can affect the price which a willing purchaser may pay. Therefore, the Court has to compare the lands by looking at their situation. Their location, nature, size, access, present use and future possibility of development have to be considered. It must be seen whether the earlier Court had evidence which can help in deciding the present acquisition. But comparison does not mean that both lands must be the same in every respect. If such exact similarity is required, it will become impossible to compare lands. The Court has to find out whether the differences are important and, if they are, whether their effect on the price can be understood. Where an earlier judgment concerns land in a nearby village, acquired at about the same time for the same project, and the evidence about location and development possibility is similar, it can give useful help. If there are important differences, adjustments have to be made. Thus, an earlier judgment is not binding on the facts, but it is not without value. Its importance depends on how far the circumstances are similar and why the earlier rate was fixed.

**51.** This principle has been held by the Supreme Court in *Trishala Jain v. State of Uttaranchal*, (2011) 6 SCC 47. The Supreme Court observed that where suitable sale transactions are not available, judgments and Awards relating to lands in the same village or nearby villages may be used as a basis for deciding market value. But adjustments have to be made for the

advantages and disadvantages of the lands. The Court cannot take the amount mentioned in another judgment and apply it to the present land without looking at the relevant circumstances.

**52.** The reason is that market value means the price which a willing purchaser would pay to a willing seller on the relevant date. The Court has to estimate this price from the evidence available. Sometimes genuine sale deeds of similar lands near the date of notification may be available. At other times, such sale deeds may not be available or the transactions may not be reliable. In such cases, an earlier judgment may give considerable help. Even then, the Court has to examine the land considered in that case and the circumstances in which its rate was fixed.

**53.** In *Chimanlal Hargovinddas*, the Supreme Court held that the Court must look at the matter as a sensible purchaser would. The advantages and disadvantages of the land have to be considered, and adjustments must be made while comparing it with other lands. In *Viluben Jhalejar Contractor*, the Supreme Court again held that location, road access, nearby development, size and future possibility of the land are important matters. These decisions show that the Court need not follow any fixed formula without looking at the facts. It has to make a estimate after considering all the material.

**54.** Therefore, the question is not only whether the earlier judgment concerns the same village or whether the land was acquired for the same public project. These matters are relevant,

but other things must be considered. The Court has to see whether the earlier valuation relates to a similar date, whether the lands had similar advantages and disadvantages, whether their nature was similar and whether deductions for development were considered in the earlier case. The earlier judgment is useful only to the extent that its facts and reasoning can be applied to the present matter. It cannot take the place of an independent decision based on the evidence in these Appeals.

**55.** The next judgment to be considered is *Trimbak Joma Thakur*, concerning lands in Village Roadpali, where the market value was fixed at Rs.1,725 per square metre. The landowners rely upon this judgment to support their claim for the same rate. The State Government points out that the Roadpali valuation was based on commercial and industrial lease transactions and that the question of deductions for development required careful consideration. This objection cannot be ignored. It has to be considered in the light of the later decision of the Supreme Court in *Babibai Babu Patil*. In *Babibai Babu Patil*, the Supreme Court observed that the Award concerning Roadpali could not be treated as binding. The Supreme Court stated that the High Court had to consider whether deductions for development and the small size of the plots had been taken into account. It noticed that the transactions relied upon in Roadpali were for commercial or industrial purposes and that a suitable deduction had to be considered. These observations have to be understood properly. The Court has to examine the nature of the transactions and

decide what deductions are justified by the facts. These observations do not fix a different market value for every village forming part of the Navi Mumbai Project. Therefore, it is not possible to accept Rs.1,725 per square metre only because that rate was fixed in *Trimbak Joma Thakur*. The Court must first examine whether the lease transactions relied upon in that case can be compared with the agricultural lands acquired in the present matter. It must see whether the earlier valuation considered the difference between a developed or developable commercial plot and a large area of agricultural land which still requires development. If these matters were not considered, the rate cannot be applied without suitable adjustment. At the same time, the earlier judgment cannot be rejected merely because the Supreme Court directed that the question of deductions be examined. The course is to consider the later judgments, the evidence in the present case and the reasons given for fixing the rates in those matters. The approach in *Atma Singh*, and *Manoj Kumar*, shows that the nature and size of the comparable land, and the circumstances in which it was sold or valued, have to be considered. A small plot may get a higher price per square metre than a large area of land. This does not mean that the smaller plot cannot be considered. It means that the difference in size and development has to be taken into account before applying its rate. Thus, *Trimbak Joma Thakur* remains relevant for comparison, but it cannot decide the market value in these Appeals.

**56.** The next judgment requiring consideration is *Rohidas Rajaram Joshi*, concerning lands in Village Padghe. In that case, this Court considered earlier judgments relating to the Navi Mumbai Project and examined the effect of *Babibai Babu Patil*. After considering the evidence and the submissions of the State Government, the Court fixed the rate at Rs.1,725 per square metre. This judgment is relevant because the rate was considered after the Supreme Court had made its observations in *Babibai Babu Patil*. The objections of the State Government regarding the nature of comparable transactions, the need for deductions and the difference between developed plots and agricultural lands were matters which required consideration in the Padghe proceedings. Therefore, the decision is relevant to the present case, because it concerns another village forming part of the same larger project. But the Padghe judgment cannot be treated as final only because it was delivered later. The Court has to examine the facts on which that decision was based and compare them with the facts relating to Village Wadghar. The purpose of referring to an earlier judgment is to get help from its reasoning, and not to avoid the responsibility of deciding the present case on its own evidence. It is necessary to explain what follows from the dismissal of the Special Leave Petition filed against the Padghe judgment. The dismissal of a Special Leave Petition does not mean that the Supreme Court has declared every finding in the judgment under challenge to be a binding rule of law. Its effect depends on the order passed by the Supreme Court and the

circumstances of the case. Here, the Padghe judgment remains a reasoned judgment of this Court and can be considered as relevant material for comparison. But the rate fixed there can be applied only after examining whether the lands, acquisition date, development conditions and valuation material are similar. This difference is important because the Court is not deciding these Appeals by merely counting how many earlier judgments have adopted a particular rate. It has to examine why that rate was adopted and whether the reasons apply to the present case. If the circumstances are similar and there is no important difference requiring another rate, consistency in valuation becomes relevant. If there is a material difference, the Court has to explain how that difference affects the rate.

**57.** This Court in *Narayan Gosavi Patil*, considered the market value of lands in Village Bokadvira acquired under the notification dated 24 September 1986. The date of the notification is important because the market value has to be decided with reference to the relevant date under Section 4 of the Land Acquisition Act, 1894. The Court cannot determine the value by looking at the price which the land might have fetched many years later after development had taken place. At the same time, it can consider the advantages which existed on the relevant date and the future possibility of development which a careful purchaser could recognise at that time. In *Narayan Gosavi Patil*, the Court considered the agricultural nature of the lands, the absence of fully developed civic facilities, the lease

transactions relied upon by the parties, the valuation report, the proposed development under the New Bombay Project and the earlier judgments concerning Roadpali and Wadghar. The Court considered the submissions based on *Babibai Babu Patil*. These questions could not be decided merely by referring to the name of the village or the purpose for which the land was acquired. The Court had to examine the evidence and decide the value of the lands on the notification date, keeping in mind their condition and possibility of development. The relevance of *Narayan Gosavi Patil* is that it considered several questions which arise in these Appeals. Both matters concern lands acquired for the Navi Mumbai Project under the notification dated 24 September 1986. In both cases, the evidence raises questions about agricultural use, absence of complete civic development, advantages arising from the location of the villages and the use of commercial or industrial lease transactions for valuing the acquired lands. The earlier judgments concerning other villages had to be examined in the light of *Babibai Babu Patil*. However, the fact that the notification and the larger project are the same does not finish the inquiry. The exact location of the lands in Village Bokadvira may not be the same as that of the lands in Village Wadghar. Their distance from Panvel, road and railway connections, surrounding development, access and nature may be different. These matters have to be examined before applying the Bokadvira rate. The judgment is an important basis for comparison because it concerns the same notification and project.

Still, the Court has to see whether any important difference in the facts requires another valuation. In paragraphs 90 to 110 of *Narayan Gosavi Patil*, this Court considered how earlier judgments can be used for deciding market value. The Court did not accept that a judgment concerning a nearby village must decide the valuation of the land before it. It examined the circumstances of the earlier acquisitions, the nature of the lands, the purpose of acquisition, the relevant dates and the evidence on which the earlier rates were fixed. This approach is consistent with the principles stated by the Supreme Court in *Trishala Jain*, *Chimanlal Hargovindas* and *Viluben Jhalejar Contractor*.

**58.** The principle stated in *Ali Mohammad Beigh*, is relevant. If lands are comparable in their location and development possibility, the Court should try to maintain consistency in the compensation awarded, unless there is a reason to treat them differently. This helps prevent two landowners with similar lands from receiving widely different compensation without a explanation. But equal treatment does not mean that every parcel in a large project must receive the same rate, whatever its location may be. The principle applies to lands which are comparable in the relevant respects. It does not remove the need to establish that comparison. The decision in *Kanwar Singh v. Union of India*, (1998) 8 SCC 136, may be considered while examining the value of comparable lands and the evidence supporting the comparison. The Court has to be satisfied that the material relied upon is suitable for the purpose for which it is

used. A judgment may be relevant because it concerns a nearby village, but the Court must still examine whether the lands have similar advantages and disadvantages. Similarly, if an earlier judgment concerns the same project and notification, that makes it more relevant, but the facts still have to be examined.

**59.** Applying these principles, the earlier cases have to be compared with the present lands. Every feature need not be the same. However, important differences must be identified and their effect on the market value considered. If an earlier judgment examined the same kind of lease transaction, the same question of development deduction and similar agricultural conditions, its reasoning may give considerable help. If the present land is closer to a developed area or has better access, that may support a higher valuation than land situated farther away. On the other hand, if the present land does not have advantages which were available to the land considered earlier, a suitable adjustment may be required. In this way, fairness and consistency can be maintained while deciding each case on its own facts. Paragraphs 111 to 122 of *Narayan Gosavi Patil* considered the objections arising from *Babibai Babu Patil*. The Court recognised that commercial and industrial lease transactions could not be mechanically used for deciding the market value of agricultural lands. The lease premium paid for a developed or developable plot meant for a special commercial or industrial purpose does not show the price of a large area of agricultural land. The person taking such a plot may be paying

for its location, permitted use, access or other advantages. The transaction may contain conditions requiring the lessee to carry out development at the lessee's own cost. All these matters have to be examined before the transaction is used for valuation. At the same time, *Babibai Babu Patil* cannot be understood to mean that lease transactions are never relevant or that every acquisition under the Navi Mumbai Project must receive a rate below Rs.1,725 per square metre. The Supreme Court required the Court to examine the transactions and make suitable deductions wherever the facts justify them. It did not fix a market value for every village forming part of the project. The observations in *Babibai Babu Patil* must be applied according to the evidence in each case.

**60.** The same approach is supported by *Trishala Jain*. The Supreme Court held that a deduction may be required when the example concerns a small plot, but the acquisition concerns a large area, or when expenditure is needed for providing roads and civic facilities. But the amount of deduction depends on the facts. The Court cannot assume that the same percentage must be deducted. Nor can it assume that no deduction is necessary merely because the land has development potential. The real question is what adjustment is required to bring the comparable transaction closer to the value of the acquired land. The Court in *Narayan Gosavi Patil* accordingly examined the later judgments and the evidence in those proceedings before reaching its conclusion. This is an important part of that decision. The rate

was not retained because an earlier Court had fixed the same amount. The question of deductions and the objections based on *Babibai Babu Patil* were considered along with the condition and location of the acquired lands. The reasoning in *Narayan Gosavi Patil* can be considered in the present Appeals, subject to any differences shown by the evidence relating to Village Wadghar. In paragraphs 128 to 146 of *Narayan Gosavi Patil*, this Court examined the evidence concerning Village Bokadvira. It considered the absence of schools, hospitals, industries, and other civic facilities, the agricultural use of the lands, the lease transactions, the valuation report and the possibility of development arising from the location of the village. The State Government's submission that Bokadvira had not become a fully developed area by September 1986 was accepted to the extent that the lands could not be valued as though they were developed commercial or industrial plots. This was relevant because the market value has to be fixed according to the condition of the land and its possibility of development on the date of the notification. However, the absence of fully developed civic facilities does not mean that the land has no development potential or that its value must be reduced to that of agricultural land in a remote place. A careful purchaser would consider not only how the land was being used on the notification date, but the advantages which existed and the possibility of future development. In *Sabhia Mohammed Yusuf Abdul Hamid Mulla*, the Supreme Court considered the importance of the location,

existing use and advantages of the acquired land while deciding its market value. The Court must distinguish between development possibility which existed on the relevant date and advantages which arose only because of the acquisition scheme or later development. Such later advantages cannot be added to the value as if they were available to the landowner. The same distinction applies here. The agricultural use of the lands in Village Wadghar and the absence of some civic facilities are negative features which have to be considered. But the location of the village near Panvel, the highway, the railway connection and the nearby industrial estates are relevant. These features may affect the price which a purchaser would be willing to pay, even though the lands had not yet been converted to non-agricultural use. Both sides of the matter have to be considered. It would be wrong to value the lands as fully developed industrial plots. It would equally be wrong to ignore their location and potential only because they were being used for agriculture.

**61.** In *Narayan Gosavi Patil*, the Court did not accept the State Government's submission that the agricultural nature of the land and the absence of civic facilities justified the lower rate suggested by the State. At the same time, the higher rate claimed by the landowners was not accepted because the lease transactions and valuation calculations did not fully support that amount. This method of considering both positive and negative features is consistent with *Chimanlal Hargovindas* and *Viluben Jhalejar Contractor*. The Court must neither give too much

importance to future potential nor ignore the advantages existing on the relevant date. It has to arrive at a value after considering the entire material. After considering the evidence and submissions of both sides, paragraph 146 of *Narayan Gosavi Patil* concluded that the "fair market value of acquired lands on the date of publication of notification under Section 4 of the Land Acquisition Act deserves to be fixed at Rs.1,725/- per square metre." In paragraph 163, the Court found no reason to interfere with that rate. These findings are relevant because the rate was retained after considering the objections relating to lease transactions, development deductions and the agricultural condition of the lands. The relevance of this decision is not only that it fixed a particular amount. The Court retained that amount after considering the objections raised by the State Government. The rate was not accepted without examining the difference between a commercial or industrial plot and agricultural land. The Court considered the absence of complete development and the evidence regarding the location and potential of the lands. It then arrived at its conclusion on the material available before it. Even so, *Narayan Gosavi Patil* does not decide the present Appeals. A judgment concerning another village cannot replace an examination of the evidence relating to Village Wadghar. The Court must still consider whether Wadghar had advantages which were absent in Bokadvira, or disadvantages which were not present there. If the lands are similar in the relevant circumstances, the rate fixed in Bokadvira provides a strong

reason to maintain consistency. If an important difference exists, the Court has to examine whether that difference justifies a change in the rate. The finding in *Narayan Gosavi Patil* is an important guide for comparison.

**62.** The State Government is correct to this limited extent that *Narayan Gosavi Patil* cannot be followed without examining the facts. The market value of the lands in Village Wadghar must be decided after considering the evidence relating to Wadghar. But this does not mean that the Bokadvira judgment should be ignored. The two matters have important common features. The lands were acquired for the Navi Mumbai Project under the same notification dated 24 September 1986. In both matters, the lands were being used for agriculture and had not become fully developed commercial or industrial areas. The question of using lease transactions for comparison and the need for development deductions arise in both matters. The common notification is important because it provides the same date for deciding market value. The common project is relevant because the lands were affected by the larger planning and development of the area. But these matters must be considered along with the location and condition of each village. The Court cannot assume that every village within the project had the same market value only because the lands were acquired for the same purpose. The question is whether the differences in location, access, existing development and potential are to justify a different rate. The principles in *Trishala Jain*, *Chimanlal Hargovindas* and *Viluben*

*Jhalejar Contractor* require the comparison to be made on the evidence and not by following a fixed rule. Similarly, the observations in *Babibai Babu Patil* require the Court to examine the lease transactions and the deductions justified by the facts. They do not require the Court to discard every earlier judgment or to start the valuation exercise without considering earlier cases concerning the same project. The course is to examine the earlier judgments, identify the relevant similarities and differences, and then compare the suggested rate with the evidence in the present Appeals.

**63.** While considering these differences, the location of Village Wadghar requires particular attention. The judgment in *Ambaji Dharma Pardeshi*, concerns the earlier acquisition in Wadghar under the notification dated 3 February 1970. It records the location of Wadghar in relation to Panvel and the advantages which were relevant even at that time. The Supreme Court considered, among other matters, the distance of Wadghar from Panvel, the highway, the railway line, the college and the development potential of the area. The Court restored the rate of Rs.25 per square metre for that earlier acquisition. That judgment is relevant because it provides information about the location and general advantages of Wadghar. It shows that the village was not isolated and that its connection with Panvel was important. But the rate of Rs.25 per square metre fixed for the 1970 acquisition cannot be applied to the present acquisition in 1986. The two notifications ared by more than sixteen years. Market conditions,

development in the surrounding area and the potential of the lands may have changed during that period. The earlier judgment is useful for understanding the location of Wadghar, but the market value in 1986 has to be determined independently. The evidence in the present case refers to the Panvel-Uran State Highway, the railway line passing through the village and the nearby industrial estates. These features have to be considered along with the fact that the acquired lands were being used for agriculture and were not fully developed. The existence of a highway or railway line does not mean that every part of the village had the same access or commercial advantage. The Court has to examine whether the acquired lands could benefit from these facilities. In the same way, the absence of some civic facilities does not remove the advantages arising from the location of the village near Panvel and the surrounding industrial development.

**64.** The comparison with Bokadvira has to be made keeping these circumstances in mind. If the evidence shows that Wadghar was closer to Panvel and had better access to transport and surrounding development, these are positive features which must be considered. They may support a valuation which is not lower than that of a comparable village merely because both villages were being used for agriculture. But the Court must not go to the other extreme and value Wadghar as if the acquired lands were developed commercial or industrial plots. The valuation has to consider both the advantages arising from the location and the

limitations arising from the condition of the land on 24 September 1986. After considering the earlier judgments together, the rate of Rs.1,725 per square metre adopted in the Padghe and Bokadvira matters deserves consideration in these Appeals. This rate is not being considered only because it was fixed in *Trimbak Joma Thakur* for Roadpali. The later judgments were delivered after the Supreme Court made its observations in *Babibai Babu Patil*. They considered the objections concerning lease transactions, the agricultural nature of the lands, the need for development deductions and the difference between a developed plot and a large area of land which requires development. The rate was retained after examining the evidence and the submissions made by the State Government.

**65.** The Court must make it clear that the earlier judgments do not remove its responsibility to examine the evidence relating to Village Wadghar. The rate of Rs.1,725 per square metre can be adopted only if, after considering the location, access, present use, development potential and other relevant circumstances, the Court finds that the lands in the present Appeals are comparable with those considered in the later judgments. The Court must be satisfied that the differences in the nature and size of the lands, and the expenditure which may be required for development, do not justify a different rate. The approach in *Trishala Jain* and *Viluben Jhalejar Contractor* requires adjustments for the positive and negative features of the lands. A deduction cannot be made merely because the land was agricultural. Equally, a deduction

cannot be refused merely because the village had development potential. The need for a deduction and its extent depend on the circumstances. In the same way, the higher claim of the landowners cannot be accepted only because a commercial or industrial plot fetched a particular lease premium. The transaction must first be examined to see whether it is suitable for comparison and, wherever required, adjusted to reflect the value of the acquired agricultural land. Having regard to these principles, the later judgments concerning Padghe and Bokadvira provide assistance in determining the market value of the present lands. They are important because they considered the same larger project, the same notification date and the objections arising from *Babibai Babu Patil*. The judgment in *Ambaji Dharma Pardeshi* helps in understanding the location and advantages of Wadghar, although the rate fixed for the 1970 acquisition cannot be carried forward as the rate for 1986. The final decision must be based on the combined effect of these judgments and the evidence relating to Wadghar. If that evidence does not show any material difference to justify another rate, adopting Rs.1,725 per square metre would maintain consistency with the later decisions, while still giving attention to the condition of the lands on the relevant date.

**66.** The submission of the Claimants that the lands should be valued at Rs.2,000 per square metre needs to be looked into. From the Shakti Construction transaction, it is seen that a plot was allotted on payment of premium of Rs.2,727 per square

metre. However, that plot was given on lease and the transaction took place after the acquisition notification. There were conditions in the lease regarding development and providing basic facilities. The valuer has made certain deductions and adjustments, but whether his calculation can be accepted depends on whether these adjustments are and whether that plot can really be compared with the acquired lands. Only because the valuer arrives at about Rs.1,832 per square metre after making one deduction, it does not mean that the rate of Rs.2,000 per square metre must be accepted. The Court must consider that the rights available in a leasehold plot, its use and its development are different from the acquired agricultural lands. The material available on record does not support the claim for fixing the rate at Rs.2,000 per square metre. The difference in the rates granted by the Reference Court in the connected Appeals requires consideration. The Court cannot give the same rate to lands situated in different villages or locations only because they are part of one project. There may be differences in frontage, access, location and other features, and these differences may require different market values. But in the present Appeals, the material before the Court does not show reason for maintaining such a wide difference in the rates of lands acquired in Village Wadghar. The lands are covered by the same notification and are situated in the same village. The available evidence does not clearly show any difference in their location or development potential which can justify fixing the rate for one set of lands at Rs.820 or Rs.889

per square metre, while another comparable set is valued at Rs.1,725 per square metre. Therefore, in the circumstances of these Appeals, it is to fix one common market rate for the lands. The market rate has to be fixed after considering the amounts claimed by both sides. The rate of Rs.300 per square metre suggested by the State Government does not give weight to the location of Wadghar near Panvel, the transport facilities available, the nearby industrial areas and the development potential which existed even without the acquisition. On the other hand, the rate of Rs.2,000 per square metre claimed by the Claimants does not consider that the lands were agricultural and were not fully developed. It does not consider the difficulty in comparing the lease transactions with the acquired lands without making suitable adjustments. The overall evidence supports the rate of Rs.1,725 per square metre. This rate is consistent with the reasoned decisions concerning similarly situated lands acquired under the same notification.

**67.** I hold that the fair market value of the acquired lands in Village Wadghar covered by these Appeals, as on 24 September 1986, is Rs.1,725 per square metre. This conclusion is reached after independently considering the material available in the present proceedings. The Claimants shall receive the statutory benefits available under the Land Acquisition Act, 1894, including solatium, the additional amount and interest, as provided by law and the applicable provisions of the Act. Any amount paid or deposited shall be deducted while calculating the

balance compensation payable to each Claimant.

**68.** In view of the principles laid down by the Supreme Court in *ONGC v. Rameshbhai Jivanbhai Patel*, (2008) 14 SCC 745 in para 17, and considering that no extraordinary development or unusual increase in land prices is established, an escalation of 7.5% per annum would be reasonable. Accordingly, in First Appeal No.17 of 2024, the market value shall be determined by applying an escalation of 7.5% per annum to the rate of Rs.1,725/- per square metre fixed for the notification dated 24 September 1986, for the period up to 26 July 1987. The consequential enhancement, if any, shall be calculated accordingly.

**69.** In view of the foregoing discussion, and upon overall assessment of the material record, the following order is passed:

i) First Appeal Nos.957 of 2026, 424 of 2025, 612 of 2025, 610 of 2025, 438 of 2025, 529 of 2025, 363 of 2021, 851 of 2025, 423 of 2019, 611 of 2025, 539 of 2025, 1117 of 2025, 531 of 2025, 541 of 2025, 596 of 2025, 360 of 2021, 670 of 2025, 364 of 2021, 882 of 2025, 1616 of 2024, 819 of 2025, 883 of 2025, 548 of 2025, 334 of 2022, 389 of 2019, 387 of 2019, 393 of 2019, and 141 of 2025 filed by the State Government stand dismissed;

ii) First Appeal No.17 of 2024 is partly allowed to the extent that the market value of the acquired lands shall be

determined by applying an escalation of 7.5% per annum to the rate of Rs.1,725/- per square metre fixed for the notification dated 24 September 1986, for the period up to 26 July 1987;

iii) Cross Objection (St.) No.28634 of 2026 stands dismissed;

iv) The Cross Objections filed by the Claimants, namely, Cross Objection (St.) Nos. 7377 of 2025, 8043 of 2025, 9805 of 2025, 7378 of 2025, 7383 of 2025, 13466 of 2025, 13325 of 2025, 9661 of 2019, 8047 of 2025, 9808 of 2025, 19334 of 2025, 8045 of 2025, 8048 of 2025, 9807 of 2025, 28716 of 2025, 8044 of 2025, 14827 of 2025, 13736 of 2025, 7382 of 2025, 9691 of 2019, 9659 of 2019, 9688 of 2019, 10992 of 2026 are partly allowed in the above terms;

v) The market value of the acquired lands in Village Wadghar covered by these proceedings is fixed at Rs.1,725/- per square metre as on 24 September 1986;

vi) The compensation payable to the respective Claimants shall be recalculated at the rate of Rs.1,725/- per square metre;

vii) The Claimants shall be entitled to statutory benefits, including solatium, the additional amount and interest, in accordance with the applicable provisions of the Land Acquisition Act, 1894. Amounts already paid or deposited

shall be adjusted while calculating the balance compensation payable;

viii) The parties shall prepare and file before the concerned Reference Court, within a period of four weeks from the date of this order, the necessary calculations of compensation payable in the respective matters, on the basis of the market value fixed by this Court, after giving credit for the amounts already paid or deposited and calculating the statutory benefits in accordance with law;

ix) The concerned Reference Court shall verify the calculations so filed and pass appropriate consequential orders. The balance compensation found payable shall be released to the respective Claimants in accordance with law;

x) The bank guarantees furnished by the Claimants in the connected proceedings shall stand discharged upon the Claimants furnishing before the concerned Reference Court fixed deposit receipts of equivalent amounts, valid for a period of twelve weeks, in substitution thereof. The fixed deposit receipts shall be kept on record of the concerned Reference Court, subject to further orders, if any;

xi) The parties shall bear their own costs.

xii) All connected Appeals and Cross Objections stand disposed of in the above terms.

ix) In view of disposal of the First Appeals and Cross Objections, all pending interim application(s) stand disposed off.

**(AMIT BORKAR, J.)**