



RFA-4273-2019 (O&M)

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

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Date of Decision: 09.07.2026

1. RFA-4273-2019 (O&M)

SARABJIT SINGH (DECEASED) THROUGH HIS LRS
& OTHERS

...Appellants

Versus

STATE OF PUNJAB

...Respondent

And

Sr. No.	Case No.	Appellant(s)	Respondent(s)
2.	RFA-236-2019 (O&M)	SHYAM LAL	STATE OF PUNJAB
3.	RFA-3499-2019	GURCHARAN SINGH	STATE OF PUNJAB
4.	RFA-3888-2019	SARABJIT SINGH	STATE OF PUNJAB
5.	RFA-4235-2014	NARINDER KUMAR AND ANOTHER	STATE OF PUNJAB AND ANOTHER
6.	RFA-4274-2019 (O&M)	RAM KUMAR AND OTHERS	STATE OF PUNJAB
7.	RFA-4275-2019 (O&M)	DESH RAJ	STATE OF PUNJAB
8.	RFA-4289-2019 (O&M)	RULDA SINGH AND OTHERS	STATE OF PUNJAB
9.	RFA-4308-2019 (O&M)	SAWARN SINGH	STATE OF PUNJAB
10.	RFA-4332-2019 (O&M)	LACHHMAN SINGH (DECEASED) THROUGH HIS LRS	STATE OF PUNJAB
11.	RFA-58-2020 (O&M)	GURMIT SINGH	STATE OF PUNJAB

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Naresh Kaushal, Advocate and
Mr. Nitish Kaushal, Advocate for landowners

Mr. Puru Jarewal, Deputy Advocate General, Punjab



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JAGMOHAN BANSAL, J. (ORAL)

1. As common issues are involved in the captioned appeals, with the consent of both sides, the same are hereby disposed of by this common order. For the sake of brevity and convenience, facts are borrowed from *RFA-4273-2019*.

2. The appellants through instant appeals are seeking modification of award dated 01.05.2013 whereby learned Additional District Judge, SAS Nagar (hereinafter called as 'Reference Court') has not awarded claimed amount of compensation.

3. The State Government issued notification dated 21.03.2005 under Section 4 of the Land Acquisition Act, 1894 (for short '1894 Act') to acquire 10 Kanals 10 Marlas land situated within the revenue estate of Tehsil Kharar, District Ropar (now at District SAS Nagar) with intent to construct Railway Overbridge (for short 'ROB') at Level Crossing No. 32B at Kurali on Sirhind-Nangal Dam section of Northern Railway Crossing Chandigarh-Ropar Road (NH-21) at K.M 26.428. The said notification was followed by notification dated 26.12.2005 issued under Section 6 of 1894 Act.

4. Land Acquisition Collector (for short 'Collector') vide award dated 22.07.2009, in terms of provisions of 1894 Act, determined compensation payable to landowners. Market value of the acquired land was determined as ₹ 51,18,720/- per acre. Landowners were held entitled to solatium and other statutory benefits. Feeling dissatisfied from aforesaid award, landowners preferred petitions before the Collector which were referred to Court under Section 18 of the 1894 Act.



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5. The landowners as well as State, in support of their contentions, led their evidence. The State attempted to justify market value determined by Collector, however, landowners vehemently pleaded that value of their land has been assessed on lower side.

6. The Reference Court, appreciating evidence led by both sides, by impugned common award adjudicated reference petitions. The Reference Court has assessed market value of acquired land @ ₹ 71,00,000/- per acre. The landowners are in appeal before this Court.

7. Learned counsel for appellants submit that total area of land acquired was 10 Kanals 10 Marlas. The land was within the limits of Municipality. It was utilized for residential as well as commercial purposes. Many shops were there. It was further near to National Highway, thus, its value was quite more than value of agricultural land. The appellants produced sale deed dated 10.02.2005 disclosing consideration of ₹ 94.67 lakh per acre. Acquired land was 10 Kanals 10 Marlas and exemplar sale was of 8 Kanals 9 Marlas. The notification under Section 4 was issued on 21.03.2005 and exemplar sale deed Ex. P-1 was dated 10.02.2005. The Reference Court rightly relied upon cited example, however, mechanically imposed cut of 25%. There was no occasion to impose cut especially when land was to be utilized for the purpose of ROB.

8. *Per contra*, learned State counsel submits that District Land Price Fixation Committee comprising Revenue Officials as well as local MLAs and MPs besides representatives of village was constituted which considered multiple factors and concluded that landowners are entitled to compensation of ₹ 51,18,720/- per acre. The market value assessed by a



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Committee of Officers was duly approved by Secretary of acquiring department. There was no occasion to rely upon an isolated sale transaction. In any case, Reference Court rightly imposed cut of 25%. Reduction in said cut or waiver of cut would not be justified. The relied upon example related to land abutting National Highway whereas acquired land was half kilometer away from National Highway. Value of land abutting National Highway is incomparable with any other piece of land.

9. Heard the arguments and perused the record.

10. Learned counsel for the parties are *ad idem* that delay in filing any appeal or cross-objection which is part of present bunch may be condoned. Accordingly, delay, if any, in any case, stands condoned and applications seeking condonation of delay stand allowed.

11. From the perusal of record and arguments of stakeholders, it is evident that State vide notification dated 21.03.2005 read with notification dated 26.12.2005 acquired 10 Kanals 10 Marlas land situated in Tehsil Kharar, District Ropar (now District SAS Nagar). The land was acquired for the purpose of construction of ROB at Level Crossing No. 32B at Kurali on Sirhind-Nangal Dam section of Northern Railway Crossing Chandigarh-Ropar Road (NH-21) at K.M 26.428. The relevant date for the determination of market value of the acquired land was 21.03.2005 i.e. date of notification under Section 4 of 1894 Act. Collector determined ₹ 51,18,720/- per acre market value of the acquired land. The landowners were held entitled to statutory benefits besides market value of the acquired land. The landowners filed reference petitions and Reference Court vide impugned award has determined market value of acquired land as ₹ 71,00,000/- per acre.



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12. The dispute before this Court is confined to assessment of market value of the land in question. Collector determined the market value of land as ₹ 51,18,720/- per acre whereas the Reference Court has determined as ₹ 71,00,000/- per acre. The landowners produced one sale deed Ex. P-1 in favour of their claim and State did not furnish any evidence in support of its contentions and relied upon report of District Land Price Fixation Committee comprising Revenue Officials as well as local MLAs and MPs besides representatives of village.

13. As per Ex. P-1 which was sole evidence led by landowners, the market price of land was ₹ 94,67,455/- per acre. The notification under Section 4 was issued on 21.03.2005 and sale deed Ex. P-1 was registered on 10.02.2005 i.e. one and a half month prior to the relevant date. The exemplar sale deed pertained to 8 Kanals 9 Marlas land which was located near the National Highway. Land of the appellants herein was not located at or adjoining National Highway. It was within the municipal limits. It was used for residential and commercial purposes. Acquired land was surrounded by Civil Hospital, Police Station, Railway Station, Schools, Colleges and Bazaar. The market value assessed by Collector was required to be enhanced because of exemplar sale. Sale deed of quite a good piece of land and that too of a date near to date of notification under Section 4 was available, thus, it was a reliable document. The respondent-State did not lead any evidence, thus, Reference Court was bound to rely upon evidence led by appellants. Courts are not supposed to blindly and mechanically apply value suggested by sale deeds especially when there is only one exemplar sale.



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14. A conspectus of judicial precedents and statutory provisions reveals that following factors should be kept in mind while determining value of acquired land:

- i) Collector rate of land of the acquired land should be considered but not mechanically applied.
- ii) Collector rate or sale consideration of acquired land should be preferred than any other land irrespective of location.
- iii) If sale consideration of acquired land is not available, sale consideration of nearest land **possessing advantages** should be considered. The principle should be lesser the distance more the preference.
- iv) Capitalization methods by putting its potential value having close to the developed or developing colonies nearest to road etc.
- v) Sale consideration of a big chunk of land should be preferred than smaller piece of land.
- vi) In case sale consideration of only small piece of land is available, an appropriate cut should be imposed.
- vii) In case sale consideration of developed plot is available, appropriate deduction towards cost of development should be made.
- viii) Market value specified for the purpose of registration of sale deeds or agreements to sale in the area where the acquired land is situated i.e. for the levy of stamp duty.

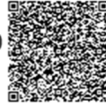


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15. Land disclosed in Ex. P-1 was very close to National Highway besides being near to acquired land. Location of land matters despite being within same locality. Land touching main road or link road or highway or easily approachable fetches higher value than others. Market value of corner house or park facing house is always more than other houses. As exemplar land was close to National Highway, it was certainly going to fetch more value than other lands of same municipality. Kurali is an old but developed town which is located on Chandigarh-Ropar Road. The Reference Court has rightly imposed cut because of locational advantage to exemplar sale. Though cut is justified but it is on higher side because exemplar land was not exactly on highway and acquired land was close to exemplar land. Cut of 15% instead of 25% was just and fair. Accordingly, market value of acquired land is assessed at 85% of exemplar sale consideration i.e. ₹ 94,67,455/- per acre which comes to ₹ 80,47,336/- per acre (85% of ₹94,67,455/-). To avoid calculation errors, it is rounded off as ₹ 80,47,000/- (eighty lakh forty-seven thousand only) per acre.

16. In the backdrop, market value of the acquired land is assessed as ₹ 80,47,000/- per acre. The appellants shall be entitled to statutory additions provided under Section 23(1A) and 23(2) of 1894 Act.

17. Interest contemplated under Section 34 of 1894 Act is statutory and mandatory. Courts and authorities have no discretion. It is in a way automatic. The moment land is acquired and possession is taken away, Collector becomes liable to pay interest on the assessed compensation. However, as per Section 28, Court has discretion to grant interest on enhanced amount of compensation. The Court may or may not grant interest



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on enhanced amount of compensation. It is not a mandatory provision. Hon'ble Supreme Court in *Maj. Gen. Kapil Mehra & Ors. Vs. Union of India & Anr., 2015(2) RCR(Civil) 4* in Para 45 has clearly held that award of interest under Section 28 is discretionary power vested in the Court and it has to be exercised in a judicious manner and not arbitrarily. In the case in hand, keeping in mind fairness of the State in determining market price at the first instance, delay of almost 6 years in filing appeals on the part of landowners, pendency of appeals before this Court for quite a long period of 7 years for which State primarily is not at fault, rate of interest prescribed under proviso to Section 28 being more penal than compensatory, this Court finds it just, fair and equitable to grant interest @ 15% (rate prescribed under proviso to Section 28) on the enhanced compensation from today i.e. 09.07.2026.

18. During the course of hearing, counsel for the parties did not dispute quantum of compensation awarded qua superstructure, thus, no findings are required to be recorded qua said issue.

19. All the appeals and cross-objections stand disposed of in above terms.

20. Pending Misc. application(s), if any, shall stand disposed of.

(JAGMOHAN BANSAL)
JUDGE

09.07.2026
SDK

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No