IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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(i) RFA No. 1151 of 2019 (O&M)

Swet Chem Antibiotics Limited

… Appellant

Vs.

State of Haryana & Ors.

… Respondents

(ii) RFA No. 905 of 2023 (O&M)

Haryana Urban Development Authority, Gurgaon

. . . . Applicant-Appellant

Vs.

Swet Chem Antibiotics Ltd. and others . . . . Respondents

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Reserved on: 10.12.2025

Pronounced on: 15.12.2025

Pronounced fully/operative part: Fully

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CORAM: HON'BLE MR JUSTICE DEEPAK GUPTA

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Argued by: - Mr. Anil Chawla, Advocate
For appellant in RFA No. 905 of 2023 and for
Respondents in RFA No. 1151 of 2019.
Mr. Arun Singal, Advocate
For appellant in RFA No. 1151 of 2019 and
For respondents in RFA No. 905 of 2023.

Mr. Gaurav Garg, AAG Haryana.

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<u>DEEPAK GUPTA, J.</u>

These two appeals arise out of the judgment dated 02.11.2018 of the Reference Court (learned Additional District Judge, Sonipat), in which the market value of the superstructure existing on the acquired land of Swet Chem Antibiotics Ltd. (hereinafter "Swet Chem"/"petitioner") was considered.

2. The acquiring authority – Haryana Urban Development Authority (HUDA) challenges the Reference Court's enhancement of compensation for the superstructure by 25% over and above the amount assessed by the

Collector. On the other hand, the land owner (Swet Chem) seeks further enhancement substantially beyond the Reference Court's figure.

3. ***Background Facts :*** The short background of the case is that pursuant to notifications 17.11.2005 & 07.02.2006 under Sections 4 and 6 of the Land Acquisition Act, 1894, land in various villages including Asavaspur was acquired for development of Sectors 65–68, Sonipat. By a supplementary award dated 21.04.2009, the Collector assessed the market value of the superstructure on the land of Swet Chem at **₹1,64,56,846/-.** Statutory benefits were added and payment of ₹1,97,72,899/- was received by Swet Chem. The petitioner Swet Chem sought reference under Section 18 of the Act challenging the Collector's assessment.

4. ***Assessment by Reference Court :*** Learned Reference Court observed that the value of a superstructure can be ascertained by different methods e.g. income-tax returns, capitalisation of rent, actual cost of construction subject to depreciation/appreciation, and expert opinion and then found that there was no material on record to apply the methods of tax returns, rent capitalisation or actual cost. The only evidence for enhanced valuation relied upon by Swet Chem was the architect/valuer's report (Ex.P-1) placed on record through PW-2, who assessed the market value of super-structure at **₹6,28,03,500/-.** The Reference Court concluded that Ex.P-1 was not a credible or reliable estimate, as it lacked measurements, bill of quantities, source of rates, depreciation analysis and documentary proof of construction cost and that the valuer had not provided the details to prove the basis of his opinion. In those circumstances, applying a well-known practice adopted by this Court in similar cases, the Reference Court awarded an enhancement of 25% over and above the Collector's valuation and confirmed payment of statutory benefits.

5. Both parties feel aggrieved and filed separate appeals.

6. ***Landowner - Petitioner's Contentions :*** Swet Chem contends that the Reference Court ignored oral and documentary material showing higher value, specifically, that the superstructure was of high quality, incorporated

specialized items such as effluent treatment plant, DM plant, foundation works for heavy machinery, rain water harvesting, electrical and mechanical fittings, fencing, internal roads and other improvements, and that retrenchment compensation and loss caused by closure of the unit ought to have been taken into account.

7. ***Respondent’s (Appellant in RFA 905-2023) contentions:*** HUDA contends that the Reference Court erred in mechanically enhancing the Collector’s award by 25%, without considering the class of construction, particular items already awarded by the Collector, and the technical assessments made by its Executive Engineer; and hence the Reference Court’s order is liable to be set aside.

8. HUDA has also moved an application under Section 5 of the Limitation Act for condonation of delay of 801 days in filing the appeal.

9. I have heard learned counsel for the parties and have carefully perused the record.

10. ***Analysis by this Court :*** The law on valuation of superstructures and the burden of proof in acquisition references is well settled. The initial burden to show inadequacy of the Collector’s compensation lies upon the claimant. Where the acquiring authority’s valuation is based on CPWD/PWD norms, measurements and technical inspection, that valuation carries a presumption of correctness unless rebutted by cogent material. Private valuation certificates/reports are admissible but their evidentiary value depends upon the particulars and the manner in which they are proved e.g. detailed measurements, bill of quantities, basis of rates, allowance for depreciation, material invoices/contracts and oral evidence of the valuer explaining methodology are all factors going to credibility. Unsupported valuation certificates or estimates, which do not disclose the method, measurements, rates, or documentary foundation are of little or no evidentiary worth.

11. The Court also cannot, in the absence of evidence, assume or hypothesise a higher value, as enhancement of compensation cannot be made on conjectures or surmises. Therefore, unless reliable and cogent evidence is adduced to show that the assessment is erroneous, the Court would not be justified in discarding the official valuation.

12. Turning to the evidence on record in the present case, the landowner examined PW-1 (Director) and PW-2, an architect who prepared Ex.P-1. No tax returns were produced. No rent receipts or rent-based valuation material were filed. No bills, contracts, vendor invoices, measurement sheets, or contractor estimates were placed before the Reference Court to demonstrate the actual cost incurred on construction.

13. The sole basis of the petitioner's higher claim is the valuation report submitted by a private valuer. A perusal of the said report reveals that it does not disclose any detailed item-wise measurements, measurement of the plinth area and usable area, bill of quantities, prevailing CPWD/PWD rates or local market rates, or methodology adopted for arriving at the quoted valuation. No basis is provided for making depreciation of 2 % per annum. The valuer has not provided any structural analysis, or justification for the rates assumed.

14. There is no documentary proof of purchase of specialized plant and machinery (for example, ETP, DM plant) incorporated in the building valuation, and the valuer was not examined in adequate detail to explain the method by which the figure was arrived at. The petitioner's submissions as to specialized installations and additional works (ETP, DM plant, foundations for machinery, rain water harvesting, fencing, internal roads, retrenchment cost etc.) are not without force in the abstract, but such items, if material to valuation, needed to be proved by admissible documentary evidence and, where necessary, by expert oral testimony that links the specific items to the valuation claimed. General assertions cannot substitute for such proof. In the absence of bills, contracts or other documentary proof, the claimed inclusions could not be accepted as a matter of evidence.

15. Such valuation certificate, omitting critical components necessary to test its reliability and with no supporting material, has no evidentiary value in law. In consequence, the Reference Court's finding that Ex.P-1 is not a credible basis for upsetting the Collector's assessment is a finding of fact supported by the record.

16. Thus, petitioner having failed to discharge the burden of proving inadequacy of the amount assessed and the petitioner's claim for a higher valuation of the superstructure is rejected for want of credible evidence.

17. HUDA's grievance that the Reference Court acted without adequate basis in applying a flat 25% enhancement must be examined in that light. The Reference Court, after rejecting Ex.P-1 as unreliable, had to decide the reference on the available material. The law does not compel the Reference Court to remand a matter for fresh measurement, when the claimant has failed to produce basic proof; nor does it require the Court to adopt the Collector's figure mechanically, where there are admitted deficiencies or where the Collector's award does not fully reflect items ordinarily included in a market valuation.

18. In such situations, this court from time to time, has evolved a pragmatic approach of applying a reasonable uplift over the Collector's award to meet the ends of justice and compensate for the difficulty of proving every item with mathematical exactness.

19. In order to award increase of 25 % on the value of the superstructure as assessed by the Collector, Reference Court has placed reliance upon ***Darshana Devi v. State of Haryana 2016 (4) RCR 810*** in which it was held by this court that the exact value of the superstructure could never be determined by mathematical precision and therefore, the High Court in various decisions has been awarding 25% increase on the value of the superstructure as assessed by the Collector as a thumb rule. Same view was also taken in ***Romal Singh vs. Punjab State 2017 (4) Law Herald 3231; and Smt. Akko Devi vs. Union Territory, Chandigarh [RFA 579 of 2006 decided on***

1.10.2008]. This approach for an enhancement of 25% appears to be a workable and equitable measure.

20. On the facts of this case, the Reference Court's approach was not arbitrary. The Collector had carried out measurements and prepared the award; whereas the petitioner failed to provide the basic documentary material, which would be necessary to upset that determination and to justify a much larger enhancement as claimed by it. The Reference Court's role was to weigh competing material and to arrive at a just result.

21. Having found the petitioner's expert report unreliable and in the absence of bills or cost particulars, awarding an enhancement by 25% over the Collector's assessed value i.e., a moderate uplift to reflect any possible under-assessment while avoiding speculation, was a permissible and reasonable exercise of judicial discretion. It is a practical solution, which rests upon a line of consistent precedents and is proportionate to the gap between the Collector's figure and the petitioner's unproven claim.

22. ***Condonation of delay :*** As regards HUDA's application under Section 5 of the Limitation Act for condonation of 801 days' delay in filing the appeal, the same is supported by the explanation that after receiving the certified copy of the Reference Court's order, HUDA took legal opinion and processed the matter before instituting the appeal. The delay is long; however, orders of limitation are to be considered in the light of the circumstances of each case and substantial justice should ordinarily prevail unless the explanation is implausible or the delay is deliberate. The delay in question, occasioned by institutional processes and legal advice taken in good faith for an important public authority, coupled with the fact that the appeal raises substantial questions regarding valuation, can be said to constitute sufficient cause justifying condonation. No prejudice of an irreversible nature is made out to the petitioner by permitting the appeal. Accordingly, the delay is condoned.

23. **Conclusion :** For the foregoing reasons:

(a) RFA No. 1151 of 2019, filed by Swet Chem seeking further enhancement, is dismissed, as the petitioner has failed to prove that the market value of the superstructure is higher than the amount allowed by the Reference Court

(b) RFA No. 905 of 2023, filed by HUDA, stands admitted by condoning the delay of 801 days in filing the appeal but on merits, the appeal is dismissed and the Reference Court's order dated 02.11.2018 is upheld.

(c) The award passed by the Reference Court on 02.11.2018, whereby enhancement of 25% over the Collector's valuation of ₹1,64,56,846/- for the superstructure with statutory benefits was allowed, — is affirmed.

(d) Parties shall bear their own costs.

(DEEPAK GUPTA)
JUDGE

15.12.2025
Jiten

Whether Speaking/reasoned *Yes*
Whether reportable *No*

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