

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

RFA-794-2016 (O&M) and
other connected cases
Reserved on: 17.01.2025
Date of decision: 10.03.2025

STATE OF HARYANA & ORS. ..Appellants

Versus

JAI SINGH AND ORS. ..Respondents

CORAM: HON'BLE MR. JUSTICE ANIL KSHETARPAL

Present: Ms. Safia Gupta, AAG, Haryana.

Mr. Parveen Sharma, Advocate,
Mr. Manoj Kumar Taye, Advocate
Mr. Chirag Wadhwa, Advocate,
Mr. Ashish Gupta, Advocate and
Mr. Shivam Sharma, Advocate,
Ms. Binayjeet Sheoran, Advocate,
Mr. R.K. Hooda, Advocate
for the landowners.

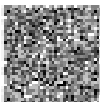
ANIL KSHETARPAL, J.

1. Prelude:-

1.1 With the consent of learned counsel representing the parties, a batch of 67 connected regular first appeals along with 2 cross-objections, (detail whereof is given at the foot of the judgment) shall stand disposed of by a common order. The landowners as well as State of Haryana have filed cross-appeals to assail the correctness of market value assessed by the Reference Court (in short ‘RC’) on 15.07.2015, with respect to acquired land measuring 6 bighas and 17 biswas for construction of effluent channel from 8 MLDSTP to Barota Drain.

1.2 The relevant details of the acquisition are as under:-

<i>Sr. No.</i>	<i>Particulars</i>	<i>Important dates and details</i>
1.	Date of Notification under Section 4 of the Land Acquisition Act, 1894 (in short ‘1894 Act’).	13.08.2009



2	<i>Date of Notification under Section 6 of the 1894 Act.</i>	<i>29.04.2010</i>
3.	<i>Award No.</i>	<i>25 dated 24.10.2011</i>
4.	<i>Total land acquired</i>	<i>6 bighas and 17 biswas in Kasba Karnal</i>
5.	<i>Purpose of acquisition</i>	<i>For construction of effluent channel from 8 MLDSTP to Barota Drain.</i>
6.	<i>Market value assessed in the Award passed by the Land Acquisition Collector (in short 'LAC')</i>	<i>Rs.30,00,000/- per acre along with all statutory benefits.</i>
7.	<i>The RC has assessed the market value at the rate of Rs.1,000/- per sq. Yard i.e. Rs.48,40,000/- per acre.</i>	<i>15.07.2015</i>

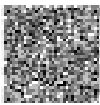
2. **Brief facts of the case:-**

2.1 The landowners claim that the market value of the acquired land is not less than Rs.2,00,00,000/- per acre. They submit that the acquired land is surrounded by several industrial and commercial establishment and is located in Karnal City.

2.2 Per contra, learned counsel for State of Haryana submitted that the landowners have failed to produce any sale instance to prove that the market value assessed by the LAC was wrong.

2.3 In oral evidence, the landowners examined PW-1 Ram Kumar Kamboj (draftsman), PW-2 Shakti Singh, PW-3 Vikram Singh (clerk). They also produced the following documents:-

<i>Ex.P-1</i>	<i>Site plan</i>
<i>Ex.P-2</i>	<i>Copy of rate list</i>
<i>Ex.P-3</i>	<i>Copy of award dated 15.07.2014</i>
<i>Ex.P-4</i>	<i>Copy of judgment</i>
<i>Ex.P-5</i>	<i>Notification</i>
<i>Ex.P-6</i>	<i>Copy of site plan</i>



2.4 In oral evidence, the State of Haryana examined RW-1 Ved Pal, SDE, Public Health, Sub-Division No.4, Karnal, and produced the following documents:-

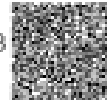
<i>Ex.R-1</i>	<i>Copy of proceeding in meeting</i>
<i>Ex.R-2</i>	<i>Rough sketch plan</i>
<i>Ex.R-3</i>	<i>Copy of Akshizra</i>
<i>Ex.R-4 to R-6</i>	<i>Copies of site plans</i>

2.5 The RC found that the assessment of market value by the RC vide awards Ex.P-3 and Ex.P-4 are not relevant as these pertain to parcels of land, which are at a significant distance from the land acquired in the present cases. While relying upon entry No.52 in the Collector’s rate list (Ex.P-2), the RC has proceeded to assess the market value at the rate of Rs.1,000/- per sq. Yard while ignoring three sale instances produced by the State on the ground that these sale instances reflect price lower than the amount awarded by the LAC.

3. Arguments addressed:-

3.1 Sh. R.K. Hooda, learned counsel representing some of the landowners has also filed a written note of his submissions, which has been perused.

3.2 Learned counsel representing the appellant has submitted that the Collectors rates are always on the lower side, hence, the RC has erred in assessing the market value on that basis. It is further submitted that the property in question has potential to be used for commercial, industrial and residential purpose, hence, the compensation has been wrongly assessed on the basis of minimum rates fixed by the Collector. It is further submitted that the rates in the residential area were around Rs.3,500/- per sq. yard, which



has been ignored by the Court. At the end, it is contended that the proper value of the trees and tube-wells has not been awarded.

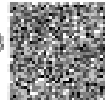
3.3 Per contra, learned counsel for the State of Haryana contends that the RC has erred in relying upon Collectors rates

4. Analysis and Discussion:-

4.1 The RC has committed error in relying upon Collector's rate, which is not permissible. The Supreme Court in **Bharat Sanchar Nigam Ltd. Vs. M/s Nemichand Damodardas and others, 2022 AIR (SC) 3458**, has categorically held that the instructions issued by the government for the purpose of determining stamp duty cannot be relied upon to assess the market value. The Supreme Court also relied upon its previous judgment in **Krishi Utpadan Mandi Samiti Sahaswan Vs. Bipin Kumar, (2004) 2 SCC 283**. Secondly, the RC has also erred in excluding the sale instances produced by the State while wrongly interpreting Section 25 of the '1894 Act'. This issue is no longer *res integra* in view of the judgment passed by the Supreme Court in **Lal Chand Vs. Union of India and others (2009) 15 SCC 769**. In para 55 and 56, the Court held as under:-

“55. We fail to see how the said section has any relevance in regard to determination of market value as contrasted from award of compensation. If the sale deeds relied on by the respondents showed a particular market value, they cannot be ignored merely because the Collector had awarded compensation at a higher rate in regard to the acquired land.

56. All that Section 25 requires is that courts should not award an amount which is less than what is awarded by the Land Acquisition Collector, even if the evidence may show a lesser market value. So, the bar under Section 25 of the LA Act is not in regard to determination of a market value, which is less than what was awarded by the LAO. The bar is only upon the reference court (or any higher court) reducing the compensation awarded by the Land Acquisition Collector.”



4.2 While assessing the market value of the acquired land, the Court is required to keep in consideration the following 17 factors as laid down by the Supreme Court in **Chimanlal Hargovinddass Vs. Special Land Acquisition Officer, Poona, (1988) 3 SCC 751:-**

“4. The following factors must be etched on the mental screen:

(1) A reference under Section 18 of the Land Acquisition Act is not an appeal against the award and the court cannot take into account the material relied upon by the Land Acquisition Officer in his award unless the same material is produced and proved before the court.

(2) So also the award of the Land Acquisition Officer is not to be treated as a judgment of the trial court open or exposed to challenge before the court hearing the reference. It is merely an offer made by the Land Acquisition Officer and the material utilised by him for making his valuation cannot be utilised by the court unless produced and proved before it. It is not the function of the court to sit in appeal against the award, approve or disapprove its reasoning, or correct its error or affirm, modify or reverse the conclusion reached by the Land Acquisition Officer, as if it were an appellate court.

(3) The court has to treat the reference as an original proceeding before it and determine the market value afresh on the basis of the material produced before it.

(4) The claimant is in the position of a plaintiff who has to show that the price offered for his land in the award is inadequate on the basis of the materials produced in the court. Of course the materials placed and proved by the other side can also be taken into account for this purpose.

(5) The market value of land under acquisition has to be determined as on the crucial date of publication of the notification under Section 4 of the Land Acquisition Act (dates of notifications under Sections 6 and 9 are irrelevant).

(6) The determination has to be made standing on the date line of valuation (date of publication of notification under Section 4) as if the valuer is a hypothetical purchaser willing to purchase land from the open market and is prepared to pay a reasonable price as on that day. It has also to be assumed that the vendor is willing to sell the land at a reasonable price.

(7) In doing so by the instances method, the court has to correlate the market value reflected in the most



comparable instance which provides the index of market value.

(8) Only genuine instances have to be taken into account. (Sometimes instances are rigged up in anticipation of acquisition of land.)

(9) Even post-notification instances can be taken into account (1) if they are very proximate, (2) genuine and (3) the acquisition itself has not motivated the purchaser to pay a higher price on account of the resultant improvement in development prospects.

(10) The most comparable instances out of the genuine instances have to be identified on the following considerations:

- (i) proximity from time angle,***
- (ii) proximity from situation angle.***

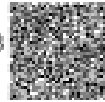
(11) Having identified the instances which provide the index of market value the price reflected therein may be taken as the norm and the market value of the land under acquisition may be deduced by making suitable adjustments for the plus and minus factors vis-à-vis land under acquisition by placing the two in juxtaposition.

(12) A balance-sheet of plus and minus factors may be drawn for this purpose and the relevant factors may be evaluated in terms of price variation as a prudent purchaser would do.

(13) The market value of the land under acquisition has thereafter to be deduced by loading the price reflected in the instance taken as norm for plus factors and unloading it for minus factors.

(14) The exercise indicated in clauses (11) to (13) has to be undertaken in a common sense manner as a prudent man of the world of business would do. We may illustrate some such illustrative (not exhaustive) factors:

<i>Plus factors</i>		<i>Minus factors</i>	
<i>1</i>	<i>smallness of size</i>	<i>1</i>	<i>largeness of area</i>
<i>2</i>	<i>proximity to a road</i>	<i>2</i>	<i>situation in the interior at a distance from the road</i>
<i>3</i>	<i>frontage on a road</i>	<i>3</i>	<i>narrow strip of land with very small frontage compared to depth</i>
<i>4</i>	<i>nearness to developed area</i>	<i>4</i>	<i>lower level requiring the depressed portion to be filled up</i>
<i>5</i>	<i>regular shape</i>	<i>5</i>	<i>remoteness from developed locality</i>
<i>6</i>	<i>level vis-à-vis land under acquisition</i>	<i>6</i>	<i>some special disadvantageous factor which would deter a purchaser</i>
<i>7</i>	<i>special value for an owner of an adjoining property to whom it may have some very special advantage</i>		

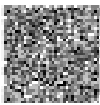


(15) The evaluation of these factors of course depends on the facts of each case. There cannot be any hard and fast or rigid rule. Common sense is the best and most reliable guide. For instance, take the factor regarding the size. A building plot of land say 500 to 1000 sq. yds. cannot be compared with a large tract or block of land of say 10,000 sq. yds. or more. Firstly while a smaller plot is within the reach of many, a large block of land will have to be developed by preparing a lay out, carving out roads, leaving open space, plotting out smaller plots, waiting for purchasers (meanwhile the invested money will be blocked up) and the hazards of an entrepreneur. The factor can be discounted by making a deduction by way of an allowance at an appropriate rate ranging approximately between 20 per cent to 50 per cent to account for land required to be set apart for carving out lands and plotting out small plots. The discounting will to some extent also depend on whether it is a rural area or urban area, whether building activity is picking up, and whether waiting period during which the capital of the entrepreneur would be locked up, will be longer or shorter and the attendant hazards.

(16) Every case must be dealt with on its own fact pattern bearing in mind all these factors as a prudent purchaser of land in which position the judge must place himself.

(17) These are general guidelines to be applied with understanding informed with common sense.”

4.3 As is evident, the RC is not expected to hear appeal against the award passed by the LAC. The landowners filed application under Section 18 of the ‘1894 Act’ complaining that they have not been paid adequate compensation. It was for them to prove that the market value offered by the LAC was not correct. No sale instance has been produced in evidence by the landowners. They have relied upon copies of two awards Ex.P-3 and Ex.P-4. Ex.P-3 is a judgment passed by the RC in Vinod Kumar Vs. State of Haryana and others. In this case, the land located in village Ghogripur was acquired vide notification under Section 4 of the ‘1894 Act’, dated 07.08.2009. The market value of the land was assessed at the rate of Rs.38,72,000/- per acre. Village Ghogripur is located at a distance from the acquired land in the present case. Similar is the position of award Ex.P-4, which is with respect to land acquired near G.T. Road.



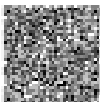
4.4 The landowners counsel has not challenged the correctness of the aforesaid finding. In these circumstances, this Bench is left with only Collectors rate (Ex.P-2), which cannot be relied upon in view of the judgment passed by the Supreme Court in *Bharat Sanchar Nigam Ltd. Case (Supra) and Krishi Utpadan Mandi Samiti Sahaswan case (supra)*.

4.5 The RC has also erred in excluding three sale instances produced by the State of Haryana, details whereof are as under:-

Sr. No.	Regd. No. & Date	Area	Total Amount (in Rs.)	Rate per acre (in Rs.)	Village
1.	4540 25.9.2007	2 bighas	4,18,500/-	10,04,400/-	Village Ram Pura Kata Bagh Teh. & Distt. Karnal
2.	7436 23.1.2008	2B-11B	5,58,000/-	10,50,353/-	Kasba Karnal, Teh. & Distt. Karnal
3.	5898 27.11.07	5B-9B	10,22,000/-	9,00,110/-	Kasba Karnal, Teh. & Distt. Karnal

4.6 It is evident that the sale instances No.7436 and 5898 are with respect to sale of plot within Karnal City. In this case, the acquisition is with respect to parcel of land located in Kasba Karnal for construction of effluent channel from 8 MLDSTP to Barota Drain. The exemplar sale deed No.5898 reflect price of approximately Rs.9,00,000/- per acre, whereas, exemplar sale deed No.7436 reflect price of Rs.10,50,000/- per acre. The LAC has already awarded Rs.30,00,000/-. The notification under Section 4 of the ‘1894 Act’ was published on 13.08.2009.

4.7 The first submission of learned counsel for landowners is partially correct as the Collectors rate issued to guide revenue official to collect stamp duty cannot be considered as the basis to assess market value, however, the second part of the submission is not correct. There is no evidence that the suit property was being used or had potential to be used for



commercial, industrial or residential purpose in near future. Same is the position with regard to contention number two.

4.8 The last submission of learned counsel for the landowners is with regard to trees, however, they have not led any evidence to prove that the amount awarded by the LAC was inadequate. In fact, this aspect was never pressed by the landowners before the RC. The attention of the Court has not been drawn to any evidence, which proves that the LAC erred in assessing the compensation for trees and tubewells.

5. Decision:-

5.1 In view of the foregoing discussion, this Court is left with no choice but to set aside the RC’s award. The appeals filed by the State of Haryana are accepted.

5.2 On the other hand, the regular first appeals filed by the landowners shall stand dismissed.

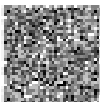
5.3 All the pending miscellaneous applications, if any, are also disposed of.

10th March, 2025
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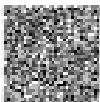
(ANIL KSHETARPAL)
JUDGE

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

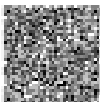
Sr. No.	Case No.	Appellant(s)	Respondent(s)
1.	<u>RFA-794-2016</u>	<u>STATE OF HARYANA AND ORS.</u>	<u>JAI SINGH AND ORS.</u>
2.	RFA-795-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	BRIJ SHARMA AND ANOTHER
3.	RFA-796-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	RAM KUMAR
4.	RFA-797-2016	STATE OF HARYANA	RANBIR @ RANDHIR



	WITH XOBJR-290- CI-2016	THROUGH COLLECTOR KARNAL AND ORS	SINGH AND OTHERS
5.	RFA-798-2016	STATE OF HARYANA THROUGHSH COLLECTOR KARNAL AND ORS	LAKHWINDER SINGH
6.	RFA-799-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	IMREET SINGH BHATIA AND ANOTHER
7.	RFA-800-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	NARENDER SINGH
8.	RFA-801-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	PARMINDER KAUR
9.	RFA-802-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	MOHINDER SINGH
10.	RFA-803-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	MAHABIR SINGH AND OTHERS
11.	RFA-804-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	SHAKTI SINGH AND OTHERS
12.	RFA-805-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	RANBIR SNGH AND OTHERS
13.	RFA-806-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	DHARMA
14.	RFA-807-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	SEWA SINGH AND OTHERS
15.	RFA-816-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	BALWINDER KAUR AND OTHERS
16.	RFA-841-2016 WITH XOBJR-289- CI-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	MALOOK SINGH AND OTHERS
17.	RFA-1048-2016	STATE OF HARYANA THROUGH COLLECTOR KARNAL AND ORS	HARBHAJAN SINGH AND OTHERS
18.	RFA-3929-2015	STATE OF HARYANA	RAVINDER AND OTHERS



		AND ORS	
19.	RFA-3930-2015	STATE OF HARYANA AND ORS	GRAM PANCHAYAT
20.	RFA-3931-2015	STATE OF HARYANA AND ORS	SITA RAM AND OTHERS
21.	RFA-3932-2015	STATE OF HARYANA AND ORS	DARSHAN & ORS
22.	RFA-3933-2015	STATE OF HARYANA AND ORS	SURESH KUMAR
23.	RFA-3934-2015	STATE OF HARYANA AND ORS	SARAVJEET SINGH AND OTHERS
24.	RFA-3935-2015	STATE OF HARYANA AND ORS	MURTI DEVI AND OTHERS
25.	RFA-3936-2015	STATE OF HARYANA AND ORS	RAVINDER AND OTHERS
26.	RFA-3937-2015	STATE OF HARYANA	RAVINDER AND OTHERS
27.	RFA-3938-2015	STATE OF HARYANA AND ORS	HARI PAL AND OTHERS
28.	RFA-3939-2015	STATE OF HARYANA AND ORS	DEVENDER SINGH AND OTHERS
29.	RFA-3940-2015	STATE OF HARYANA AND ORS	RANDHIR SINGH AND OTHERS
30.	RFA-3941-2015	STATE OF HARYANA AND ORS	RAMESH AND OTHERS
31.	RFA-3942-2015	STATE OF HARYANA AND ORS	CHATARBHUJ AND OTHERS
32.	RFA-3943-2015	STATE OF HARYANA AND ORS	TEJ SINGH AND OTHERS
33.	RFA-5745-2015	STATE OF HARYANA	HARKESH AND OTHERS
34.	RFA-5746-2015	STATE OF HARYANA & ORS	KARAMVIR SINGH
35.	RFA-5747-2015	STATE OF HARYANA & ORS	SAVITRI DEVI & ORS
36.	RFA-5748-2015	STATE OF HARYANA & ORS	YASH PAL
37.	RFA-5749-2015	STATE OF HARYANA	RAJBIR SINGH
38.	RFA-5779-2015	STATE OF HARYANA	LAKHMI CHAND
39.	RFA-6363-2015	HARKESH AND OTHERS	STATE OF HARYANA AND OTHERS
40.	RFA-6380-2015	PARMINDER KAUR	STATE OF HARYANA



			AND ORS
41.	RFA-6381-2015	LAKHWINDER SINGH	STATE OF HARYANA AND ORS
42.	RFA-6382-2015	NARINDER SINGH	STATE OF HARYANA AND ORS
43.	RFA-1204-2016	HARBHAJAN SINGH AND ORS.	STATE OF HARYANA & ORS
44.	RFA-157-2016	DHARMA	STATE OF HARYANA & ORS
45.	RFA-273-2016	DARSHAN AND ORS	STATE OF HARYANA AND ORS
46.	RFA-274-2016	RANBIR SINGH AND ORS	STATE OF HARYANA AND ORS
47.	RFA-275-2016	SITA RAM AND ORS	STATE OF HARYANA AND ORS
48.	RFA-276-2016	SARAVJEET SINGH AND ORS	STATE OF HARYANA AND ORS
49.	RFA-277-2016	SURESH KUMAR	STATE OF HARYANA AND ORS
50.	RFA-278-2016	DAVINDER SINGH AND ORS	STATE OF HARYANA AND ORS
51.	RFA-2788-2016	SEWA SINGH	STATE OF HARYANA & ORS
52.	RFA-279-2016	TEJ SINGH AND ORS	STATE OF HARYANA AND ORS
53.	RFA-280-2016	CHATARBHUJ AND ORS	STATE OF HARYANA AND ORS
54.	RFA-281-2016	RAJBIR SINGH	STATE OF HARYANA & ORS
55.	RFA-282-2016	KARMVIR SINGH	STATE OF HARYANA & ORS
56.	RFA-2876-2016	LAKHMI CHAND	STATE OF HARYANA & ORS
57.	RFA-3747-2016	BALWINDER KAUR AND OTHERS	STATE OF HARYANA AND ORS
58.	RFA-3748-2016	RANBIR SINGH & ORS	STATE OF HARYANA & ORS
59.	RFA-614-2016	RAVINDER AND ORS.	STATE OF HARYANA AND ORS.
60.	RFA-615-2016	RAVINDER AND ORS.	STATE OF HARYANA & ORS
61.	RFA-616-2016	RAVINDER AND ORS.	STATE OF HARYANA



			AND ORS.
62.	RFA-75-2016	IMREET SINGH AND ANR.	STATE OF HARYANA AND ORS.
63.	RFA-76-2016	MOHINDER SINGH	STATE OF HARYANA AND ORS.
64.	RFA-78-2016	SHAKTI SINGH & ORS	STATE OF HARYANA & ORS
65.	RFA-4257-2019	RAM KUMAR	THE STATE OF HARYANA AND OTHERS
66.	RFA-94-2020	MAHABIR SINGH AND ANOTHER	STATE OF HARYANA AND OTHERS
67.	RFA-2645-2016	BRIJ SHARMA AND ANR	STATE OF HARYANA AND ORS

10th March, 2025
Ayub

(ANIL KSHETARPAL)
JUDGE