2026:PHHC:051422

123(28 cases) **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

RFA-3085-2003 (O&M)
Date of decision:-02.04.2026

Budhram and others ....Appellants.

vs.

State of Haryana and others ....Respondents.

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Sunil Panwar, Senior Advocate with
Mr. Dhruv Singh, Advocate (thr. whatsapp) and
Ms. Tejaswini, Advocate,
for the appellant(s)-landowner(s).

Mr. Abhinash Jain, DAG, Haryana.

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HARKESH MANUJA J. (Oral)

1. Vide this common judgment, a batch of total 28 connected Regular First Appeals are being decided as all have arisen out of the same award. The details of the connected cases are mentioned in the footnote of this judgment.

1.2 For convenience, the facts are being taken from **RFA-3085-2003 (O&M).**

2. By way of present appeal, challenge has been laid to an Award dated 02.04.2003 passed by the Court of learned Additional District Judge, Rewari (for short, ***"the Reference Court"***), whereby, reference petition preferred at the instance of landowner(s) invoking Section 18 of the Land Acquisition Act, 1894 (for brevity, ***"1894 Act"***), was partly allowed.

3. Brief facts of the case are that some land owned by the landowner(s), situated in the revenue estate of Village Naya Gaon, Tehsil Kosli, District Rewari, was acquired vide notifications dated 08.07.1998 and 05.03.1999, issued under Sections 4 & 6 respectively of the 1894 Act, for the public purpose, namely, "*for construction of Naya Gaon Minor for Irrigation Department*". The total land under acquisition was 3.16 acre. The Land Acquisition Collector (for short, ***"the LAC"***) vide its Award dated 08.05.2000, besides granting statutory benefits under the 1894 Act, assessed the market value of the acquired land in the following manner:-

Chahi/Nehri and Gair Mumkin land	Rs.1,10,000/- per acre
Rosli/Matyar land	Rs.1,00,000/- per acre

4. Feeling dissatisfied with the award passed by the LAC, the landowner(s) preferred reference petition under Section 18 of the 1894 Act, seeking enhancement of compensation. Upon consideration of the material available on record, the learned Reference Court vide its award dated 02.04.2003, partly allowed the reference petition while re-assessing the market value @ Rs.5,00,000/- per acre along with granting other statutory benefits under the 1894 Act.

5. Feeling dissatisfied with the aforesaid award passed by the learned Reference Court, the landowners as well as State of Haryana preferred the appeals/cross appeals, details whereof are mentioned in the footnote of this judgment.

CONTENTION(S):

ON BEHALF OF THE APPELLANT(S)-LANDOWNER(S):-

6. Impugning the aforementioned award, learned Senior counsel appearing on behalf of the landowner(s) submits that the learned Reference Court erred while placing reliance upon award dated 24.09.2002 (Ex.P-4) pertaining to the revenue estate of Village Kanharwas for the purpose of determination of market value of the case(s) in hand instead of taking into account the sale deeds dated 26.06.1997 and 04.09.2001 produced on record by the appellant(s)-landowner(s) in the form of Ex.P-1 and Ex.P-2, respectively. He points out that from the evidence available on record, it was established that the land parcel forming part of sale instance dated 26.06.1997 (Ex.P-1) though pertained to a different revenue estate of village Bahala, however, the same was located in close geographical proximity to the acquired land and thus, the said sale transaction was required to be relied upon for assessing the market value in the present case(s).

6.1. Learned Senior counsel further contends that the landowner(s) were entitled for award of suitable appreciation for the time gap between the date of sale instance (Ex.P-1) (i.e. 26.06.1997) and the date of notification (i.e. 08.07.1998) issued under Section 4 of the 1894 Act in the case(s) in hand. He thus, submits that on the basis of evidence on record, the market value was required to be re-assessed and the appeal(s) preferred at the instance of landowner(s) were to be allowed.

ON BEHALF OF RESPONDENT(S)-STATE

7. Per contra, learned counsel appearing on behalf of the respondent(s)-State submits that the learned Reference Court went wrong having relied upon award dated 24.09.2002 (Ex.P-4) which pertained to a different revenue estate of village Kanharwas and thus, the impugned award

was liable to be set aside. He also points out that the reasoning recorded by the learned Reference Court for discarding the sale instance dated 21.06.1996 (Ex.R-1) was legally unsustainable. Learned State counsel further contends that the landowner(s) were duly awarded the market value by the LAC in consonance with the sale consideration reflected in the sale deed dated 21.06.1996 (Ex.R-1) and as such, the award passed by the learned Reference Court was liable to be set aside and that of the LAC was to be restored.

DISCUSSION AND REASONING:-

8. I have heard learned counsel for the parties and gone through the paper book.

9. At the outset, it may be noticed here that the acquisition in the case(s) in hand pertained to the land forming part of the revenue estate of village Nayagaon. The learned Reference Court for the purpose of determination of market value relied upon its previous award dated 24.09.2002 (Ex.P-4) which pertained to the acquisition of land carried out in terms of notification dated 18.12.1997 issued under Section 4 of the 1894 Act with respect to the revenue estate of village Kanharwas. Admittedly, there was no evidence on record to establish that the revenue estates of Nayagaon and Kanharwas were located in close geographical proximity.

9.1. The learned Reference Court went on to rely upon the award dated 24.09.2002 (Ex.P-4) pertaining to the revenue estate of village Kanharwas, merely having noticed that both the revenue estates of Nayagaon and Kanharwas were abutting Sub-Tehsil of Kosli. In the absence of any other material on record indicating that the revenue estates of Nayagaon and

Kanharwas were abutting or adjoining or the land forming part thereof, possessed similar nature or potentiality, the said reasoning cannot be sustained in the humble opinion of this Court and as such, the determination made by the learned Reference Court on the basis of award dated 24.09.2002 (Ex.P-4) cannot be upheld.

10. Further, the parties have produced the following evidence in the form of sale deeds and site plans in support of their respective claims:-

Documents relied upon by the landowners are as under:-

Sr. No.	Date of sale deed/Exhibits	Area Kanal-Marla	Sale price	Sale price per acre	Village
1	26.06.1997 (Ex.P-1)	3-6	Rs.3 lakh	Rs.7,27,272/-	Bahala
2.	04.09.2001 (Ex.P-2)	3-15	Rs.3.86 lakh	Rs.8,23,466/-	Nayagaon
3.	Site plan (Ex.P-3)	Site plan showing distance of sale instance Ex.P1 to be 440 feet from the acquired land. Distance Between land of Ex.P2 from acquired land is shown to be 560 feet.			

Documents relied upon by the respondent(s)-State are as under:-

Sr. No.	Date of sale deed/Exhibits	Area Kanal-Marla	Sale price	Sale price per acre	Village
1	21.06.1996 (Ex.R-1)	8-0	Rs.1.10 lakh	Rs.1,10,000	Nayagaon
2	06.07.1999 (Ex.R-2)	12-0	Rs.1.20 lakh	Rs.80,000/-	Nayagaon
3	Site plan (Ex.R-3)				

10.1. Considering the sale deeds produced by the respondent(s)-State in the form of Ex.R-1 and Ex.R-2, it may be noticed here that the sale instance dated 06.07.1999 (Ex.R-2) though formed part of the same revenue estate of village Nayagaon, however, pertained to the period post notification under Section 4 of the 1894 Act, thus, need not to be relied upon for the purpose of determination of market value in the case(s) in hand.

10.2. Further, the sale deed dated 21.06.1996 (Ex.R-1) vide which 8 kanals of land was sold for a sum of Rs.1,10,000/-, pertained to the same revenue estate of village Nayagaon. However, the sale consideration reflected therein was identical to the rates fixed by the Collector vide its award dated 08.05.2000, thereby assessing the market value @ Rs.1,10,000/- per acre for *chahi-nehri* land. Thus, it becomes apparent that the sale deed dated 21.06.1996 (Ex.R-1) was executed at the Collector rate, evidently to avoid the stamp duty. This Court is mindful of the fact that as a matter of common practice, the sale deeds are often executed at a value below the prevailing market rate to avoid the payment of stamp duty, thus, the aforementioned sale deed also cannot be considered as reliable piece of evidence reflecting the correct prevailing market value at relevant point of time, in the humble opinion of this Court. The aforesaid view is supported by observations made by the Hon'ble Apex Court in case of ***Haryana State Industrial Development Corp. v. Pran Sukh*** reported as ***2010 (11) SCC 175.*** The relevant para 22 is extracted hereunder:-

> *"22. In our view, the learned Single Judge did not commit any error by relying upon sale transaction Exhibit P1 for the purpose of fixing market value of the acquired land. Undisputedly, that sale transaction was between two corporate entities and the entire sale price was paid through bank drafts. It is also not in dispute that the land which was subject-matter of Exhibit P1 is situated at village Naharpur Kasan and is adjacent to the acquired land. The Corporation and the State Government did not adduce any evidence to prove that the land sold vide Exhibit P1 was over-valued with an oblique motive of helping the land owners to claim higher compensation. Therefore, we do not find any justification to discard or ignore sate deed Exhibit P1. The refusal of the learned Single Judge to rely upon other sale*

*transactions in which sale price of the land was shown as Rs. 7 lakhs per acre also does not suffer from any legal infirmity **because its well-known that transactions involving transfer of properties are usually undervalued with a view to avoid payment of the requisite stamp duty and registration charges.***

Thus, in view of the discussion made herein above, the sale deeds produced by the State in the form of Ex.R-1 and R-2 cannot be relied upon in the given facts and circumstances.

11. With respect to the sale instances produced by the landowner(s), it may be noticed here that the sale deed dated 04.09.2001 (Ex.P-2), though pertained to the same revenue estate of village Nayagaon, however, being post notification, the same need not to be taken into consideration. Further, though the sale deed dated 26.06.1997 (Ex.P-1) pertained to the revenue estate of village Bahala, however, in the wake of material evidence available on record, the same can be considered for the following reasons:-

(a) Sh. S.R. Jain, Sub-Division Officer, Rohtak, Sub-Division No.1, Dadri (RW-1) , in his cross-examination admitted that the boundaries of Villages Bahala and Nayagaon were abutting and adjoining.

(b) The comparative location of land parcel forming part of sale deed dated 26.06.1997 (Ex.P-1) and the sale deed dated 04.09.2001 (Ex.P-2) viz-a-viz the acquired land was proved on record vide site plan (Ex.P-3). As per the said site plan, the distance between the land parcel forming part of sale instance (Ex.P-1) located in village Bahala *viz-a-viz* the acquired land was shown to be merely 440 feet and thus, was located in close geographical proximity of the acquired land.

(c) The site plan (Ex.P-3) was proved on record by PW-3, namely, Sh. Raj Pal Yadav, draftsman, Civil Court, Rewari. In his cross-examination, he categorically deposed that the distance between the land parcel forming part of Sale deed dated 26.06.1997 (Ex.P-1) and the acquired land was 440 feet. To this, no counter evidence was produced by the respondent(s)-State.

(d) A positive finding of fact was recorded by the learned Reference Court with respect to the close proximity of the revenue estates of village Bahala and village Nayagaon and also regarding the similarity towards potential of land holdings belonging to both the villages. Learned State counsel has failed to refer to any material evidence to counter the same. Para No.23 from the award passed by the learned Reference Court in this regard, being relevant is reproduced hereunder:-

> *"23. Now, we are left with sale instance recorded in Ex.P1. It pertains to village Bahala. Said village Bahala and village Naya Gaon where suit land is situated, are abutting to each other as stated by PW1 and PW2 and admitted by RW1 and RW2. Potentiality of land of both these villages is same as admitted by RW2, who is Patwari. Said sale deed Ex.P1 is proved by two of the executants/vendor PW1 and PW2 and they have proved the sale consideration as mentioned therein."*

11.1. Thus, in view of the detailed discussion made herein above in the given facts and circumstances, the sale instance dated 26.06.1997 (Ex.P-1) vide which 3 Kanals 6 Marlas of land was sold for Rs. 3 lakhs; pertaining to the adjoining village Bahala can be safely relied upon for the purpose of determination of market value in the case(s) in hand. The aforesaid view is also derived from observations made by the Hon'ble Apex Court in '***Land Acquisition Officer v. Karigowda'*** reported as ***(2010) 5 SCC 708,*** whereby, it was held that the sale deeds pertaining to land situated in the adjoining villages, sharing similar physical characteristics, fertility, and development potential, can be taken into account for determining of the market value in land acquisition cases. The relevant paragraphs thereof are extracted hereunder:-

> "*64. It is a settled principle of law that lands of adjacent villages can be made the basis for determining the fair market value of the acquired land. This principle of law is qualified by clear dictum of this Court itself that whenever direct evidence i.e. instances of the same villages are available, then it is most desirable that the court should consider that evidence. But where such evidence is not available court can safely rely upon the sales statistics of adjoining lands provided the instances are comparable and the potentiality and location of the land is somewhat similar. The evidence tendered in relation to the land of the adjacent villages would be a relevant piece of evidence for such determination. Once it is shown that situation and potential of the land in two different villages are the same then they could be awarded similar compensation or such other compensation as would be just and fair.*
>
> *65. The cases of acquisition are not unknown to our legal system where lands of a number of villages are acquired for the same public purpose or different schemes but on the commonality of purpose and unite development. The parties are expected to place documentary evidence on record that price of the land of adjoining village has an increasing trend and the court may adopt such a price as the same is not impermissible. Where there is commonality of purpose and common development, compensation based on statistical data of adjacent villages was held to be proper. Usefully, reference can be made to the*

judgments of this Court to the cases of Kanwar Singh & Ors. v. Union of India [JT 1998 (7) SC 397] and Union of India v. Bal Ram & Anr. [AIR 2004 Supreme Court 3981]

66. In this regard we may also make a reference to the judgment of this Court in the case of Kanwar Singh & Ors. v. Union of India [AIR 1999 Supreme Court 317] , where sale instance of the adjacent villages were taken into consideration for the purpose of determining the fair market value of the land in question and their comparability, potential and acquisition for the same purpose was hardly in dispute. It was not only permissible but even more practical for the courts to take into consideration the sale statistics of the adjacent villages for determining the fair market value of the acquired land."

12. Furthermore, there exists a gap of approximately 1 year between the sale instance dated 26.06.1997 (Ex.P-1) and date of notification (i.e. 08.07.1998) under Section 4 of the 1894 Act, in the case(s) in hand, therefore, an appreciation of 10% per annum needs to be applied over the base price of Rs. 7,27,272/- derived from the sale instance Ex. P-1 which comes to Rs.7,99,999.2 (rounded off Rs.8 lakhs).

13. However, in the given facts and circumstances, a deduction @ 25% needs to be applied for the following reasons:-

(a) The sale instance dated 26.06.1997 (Ex.P-1) is measuring 3 Kanals 6 Marlas, whereas, the acquired land measures 3.16 acres, thus, towards comparative smallness of the area involved therein.

(b) The sale deed dated 26.06.1997 (Ex.P-1) pertained to the abutting and adjoining village Bahala, whereas, the acquired land forms part of village Nayagaon.

14. Accordingly, the market value of the acquired land on the date of

Notification under Section 4 of the Act in the present case(s) is assessed @ **Rs.6,00,000/- per acre**. In addition, the landowners shall also be entitled for all other statutory benefits and interest, especially interest on solatium under the 1894 Act.

15. In view of the aforesaid discussion, the appeals filed at the instance of landowners are partly allowed, whereas, the appeals filed at the instance of State are hereby, dismissed.

16. Further, in case of unfortunate demise of any of the appellants-landowners, if the legal heir(s)-legal representative(s) have not been brought on record, they shall be entitled for filing exemption applications in their own names being legal heirs or legal representatives of the deceased-landowners; subject of course to any testamentary document created by the deceased.

17. Pending application, if any, also stands disposed of.

02.04.2026 **(HARKESH MANUJA)**
sonika **JUDGE**

Whether speaking/reasoned: Yes
Whether reportable: Yes

Sr. No.	Case No.
1.	RFA-3086-2003 (O&M)
2.	RFA-3087-2003 (O&M)
3.	RFA-3088-2003 (O&M)
4.	RFA-3089-2003 (O&M)
5.	RFA-3090-2003 (O&M)
6.	RFA-3091-2003 (O&M)
7.	RFA-3092-2003 (O&M)
8.	RFA-3093-2003 (O&M)
9.	RFA-3094-2003 (O&M)

10.	RFA-3095-2003 (O&M)
11.	RFA-3282-2003 (O&M)
12.	RFA-3283-2003 (O&M)
13.	RFA-3284-2003 (O&M)
14.	RFA-3285-2003 (O&M)
15.	RFA-3286-2003 (O&M)
16.	RFA-3287-2003 (O&M)
17.	RFA-3288-2003 (O&M)
18.	RFA-3289-2003 (O&M)
19.	RFA-3290-2003 (O&M)
20.	RFA-3291-2003 (O&M)
21.	RFA-3292-2003 (O&M)
22.	RFA-3293-2003 (O&M)
23.	RFA-3294-2003 (O&M)
24.	RFA-3295-2003 (O&M)
25.	RFA-3388-2003 (O&M)
26.	RFA-3389-2003 (O&M)
27.	RFA-3390-2003 (O&M)

02.04.2026 **(HARKESH MANUJA)**
sonika **JUDGE**