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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-2307-1998

Date of Decision: March 20, 2026

SMT. KAILA DEVI & ORS

.....Appellants

Versus

STATE OF HARYANA AND ORS.

.....Respondents

RFA-2606-2000

ROSHAN LAL & OTHERS

.....Appellants

Versus

STATE OF HARYANA AND ORS.

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Ajay Kumar Rana, Advocate and
Mr. Dushant Dhawan, Advocate for appellants.

Mr. Abhinash Jain, DAG, Haryana.

HARKESH MANUJA, J. (ORAL)

Vide this common order, aforementioned two connected Regular First Appeals shall stand disposed of, as they involve common question of law and facts. For convenience, the facts are being taken from RFA-2307-1998.

2. By way of present appeal, challenge has been laid to the judgment dated 23.04.1998 passed by the learned Additional District Judge, Karnal (for short 'Reference Court') whereby the reference petition filed under Section 18 of the Land Acquisition Act, 1894 (hereinafter referred to as 'the Act') by the appellants-landowners, seeking enhancement of compensation was dismissed.

3. Briefly stating, certain land, situated within the revenue estate of Village Padhana, Tehsil and District Karnal was acquired for the public purpose, namely, "*for construction of Kheri Man Singh to Padhana Road*" vide notification dated 14.12.1987 (published on 05.01.1988) under

Section 4 and 02.07.1988 (published on 19.07.1988) under Section 6 of the Act. The Land Acquisition Collector (for short 'LAC') vide his Award assessed the market value at the rate of Rs.49,000/- per acre for *Chahi* land and *gair mumkin gera*; Rs.28,000/- per acre for *Banjar Kadim* and *gair mumkin bathala marsain* land along with other statutory benefits.

4. The appellants-landowners, feeling dissatisfied with the award, sought reference under Section 18 of the Act pleading that the price of acquired land was not less than Rs.3,00,000/- per acre as the same was situated on the pucca road leading to village Padhana and further connected to G.T. Road. It was further pleaded that the acquired land had significant potential value as numerous poultry farms and other industries were emerging in its close vicinity.

5. Upon notice, the same was contested by the respondent(s)-State by filing the reply wherein existence of poultry farm or any other industry was denied.

6. Upon framing of issues and consideration of evidence, the learned Reference Court vide award dated 23.04.1998 dismissed the reference petition filed at the instance of appellants-landowners.

7. Aggrieved of the aforesaid award dated 23.04.1998 passed by the learned Reference Court, the appellants-landowners filed the present appeals.

8. Impugning the aforementioned award, learned counsel for the appellants-landowners submits that the learned Reference Court erred having discarded the sale instance dated 24.03.1983 (Ex. P-4) vide which 2 kanals of land forming part of the same revenue estate of village Padhana, Tehsil and District Karnal was sold for a sum of Rs.20,000/- with base per acre of Rs.80,000/-. He further submits that the appellants-

landowners were also entitled for appreciation @ 10% per annum over the base price derived from the sale instance dated 24.03.1983 (Ex. P-4) for the time gap between the date of such sale deed i.e. 24.03.1983 upto the date of notification under Section 4 in the case(s) in hand, issued on 24.12.1987. He thus submits that in view of the aforesaid, the market value was required to be reassessed and the appeal(s) preferred at the instance of landowners were to be allowed.

9. Per contra, learned counsel for the respondent(s)-State submits that the learned Reference Court rightly discarded the sale instance dated 24.03.1983 (Ex.P-4), as it pertained to a small parcel of land measuring 2 kanals in comparison to the acquired land measuring 9.01 acres. He also points out that comparative location of the land parcel forming part of the sale instance dated 24.03.1983 (Ex. P-4) *vis-à-vis* the acquired land was not established on record so as to prove the similarity in terms of nature and potential value. He thus prays that no interference was called for with the determination made by the learned Reference Court in dismissing the reference petition.

10. I have heard learned counsel for the parties and gone through the paper-book. I find substance in the submissions made on behalf of the appellants-landowners.

11. A perusal of record shows that appellants-landowners proved on record the sale deed dated 24.03.1983 (Ex.P-4) vide which 2 kanals of land, forming part of the same revenue estate of village Padhana, District Karnal was alienated for a consideration of Rs.20,000/-, with the base price of Rs.80,000/- per acre. The records further reveals that the land parcel forming part of sale deed dated 24.03.1983 (Ex.P-4) was part of Rect. No.66 whereas, the acquired land was part nearby Rect.

No.80 of the same revenue estate of village Padhana, Tehsil and District Karnal. In such circumstances, the learned Reference Court went wrong while discarding the sale instance dated 24.03.1983 (Ex.P-4) for the purpose of determination of the market value *qua* acquisition in hand especially, when the same pertained to a revenue estate and not regarding any casba, town or city.

12. Furthermore, the sale deed 24.03.1983 (Ex.P-4) ought not to have been discarded merely on the ground that it pertained to a small parcel of land for two reasons— *firstly*, in view of the law laid down by Hon'ble Apex Court in the case of **Hormal Vs. State of Haryana**, reported as **'2024(4) R.C.R. (Civil) 758'**, as per which, while assessing the market value, sale instances relating to land of similar nature may be relied upon, even if they pertain to smaller parcels, albeit an appropriate cut is applied. Relevant Paragraph Nos. 28 and 29 of ***Hormal (Supra)*** are extracted hereunder for reference:-

*"26. However, there is no bar in law against considering sale exemplars of smaller plots, provided they are subjected to adequate developmental charges. The rationale behind applying such cuts lies in the fact that smaller plots often command higher prices due to their developed nature, whereas a larger tract of land which is acquired for development may require significant allocation for creating roads, parks, essential services, etc.[10] Accordingly, these sale exemplars can be relied upon only after applying appropriate cuts. This Court in **Chimanlal Hargovinddas v. LAO**, (1988) 3 SCC 751 authoritatively ruled that when valuing a large block of land, appropriate deduction must be made for setting aside areas for roads, open spaces and dividing the land into smaller plots suitable for the construction of buildings.*

*27. In the instant case, there are multiple sale deeds of smaller plots, and these represent the best available evidence for estimating compensation. Since there is no legal impediment to considering such sale deeds, the logical progression in the compensation estimation process would be to identify the most suitable sale deed(s) for determining the market value and subsequently, to apply adequate deductions on the same. The solution to this state of flux may thus be found in the case of **"Mehrawal Khewaji Trust v. State of***

Punjab”, (2012) 5 SCC 432 where this Court laid down as follows:

“....It is clear that when there are several exemplars with reference to similar lands, it is the general rule that the highest of the exemplars, if it is satisfied that it is a bona fide transaction, has to be considered and accepted. When the land is being compulsorily taken away from a person, he is entitled to the highest value which similar land in the locality is shown to have fetched in a bona fide transaction entered into between a willing purchaser and a willing seller near about the time of the acquisition..”

12.1. Secondly, the sale instance 24.03.1983 (Ex.P-4) in the present case(s) pertained to 2 kanals of land, which in comparison to the total acquired land of 9.01 acres, cannot be considered to be a small parcel of land. Moreover, the respondents failed to place on record any evidence indicating a difference in the nature or potential of the two land parcels forming part of Rect. Nos. 66 and 80 of the revenue estate of village Padhana, Tehsil and District Karnal. In view of the aforesaid discussion, it would be appropriate to place reliance upon the sale instance 24.03.1983 (Ex.P-4) for the purpose of determination of market value of the acquired land in the case(s) in hand.

13. Taking into account the fact that there exists a time gap of 4 years 9 months and 12 days between the sale instance dated 24.03.1983 (Ex.P-4) and the date of notification under Section 4 of the Act i.e. 05.01.1988, the appellants-landowners are entitled for appreciation @ 8% per annum over and above the base price of Rs. 80,000/- derived from sale instance dated 24.03.1983 (Ex. P-4) for the said time gap which comes to Rs. 110,650/- per acre.

14. However, since, the exact comparative location of the land parcels forming part of the sale instance dated 24.03.1983 (Ex. P-4) vis-à-vis the acquired land was not established on record by the appellants-

landowners and the sale exemplar pertained to 2 kanals of land, an appropriate deduction of 20% is applied so as to balance the equities between the parties and the final determination thus, comes to **Rs. 88,520/-** per acre. Considering the fact that the acquired land parcel is merely of 9.01 acres and is located on the pucca road leading to village Padhana which further connects the G.T. Road, all the landowners shall be entitled for uniform rate of market value of all kinds-nature of land

15. Accordingly, in view of the discussion made hereinabove, the uniform market value of the acquired land on the date of Notification under Section 4 in the present case(s) comes to **Rs. 88,520/-** per acre. Besides it, the appellants-landowners shall also be entitled for all the statutory benefits and interest under the Act, especially the solatium and interest thereupon.

16. In view of the aforesaid circumstances, the present appeals are partly allowed with the aforesaid modification.

17. Wherever the landowner(s) has/have unfortunately expired in the appeal(s)/cross-objection(s) after filing thereof and the legal heirs have not been impleaded, they shall be at liberty to seek execution of the present decision by moving appropriate applications before the learned Executing Court.

18. Pending application(s), if any, shall also stand disposed of.

20.03.2026
Tejwinder

(HARKESH MANUJA)
JUDGE

<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether reportable</i>	<i>Yes/No</i>