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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-2258-1999
Date of Decision: April 01, 2026

JAGDISH & ORS ......Appellants

Versus

STATE OF HARYANA & ANR .....Respondents

RFA-2259-1999

GOPAL SINGH ....Appellant

Versus

STATE OF HARYANA & ANR .....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Rajinder Goel, Advocate for the appellants.

Mr. Abhinash Jain, DAG, Haryana.

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HARKESH MANUJA, J. (ORAL)

Vide this common order, aforementioned two Regular First Appeals shall stand disposed of as they involve common question of law and fact. For the sake of brevity, the facts are being culled out from **RFA-2258-1999**.

2. By way of present appeal(s), challenge has been laid to the judgment dated 08.04.1999 passed by the learned Additional District Judge, Ambala (for short '*the 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 partly allowed.

3. Briefly stating, certain land, situated within the revenue estate of Village Kanguwala, Hadbast No.146, Tehsil Kalka and District Ambala, was acquired for the public purpose, namely, "*for construction of link road from Charnia Bargodam to Kalka Kherawali Road*" vide notifications

dated 25.02.1986 (published on 11.03.1986) issued under Section 4 and notification dated 24.09.1986 (published on 30.09.1986) issued under Section 6 of the Act. The Land Acquisition Collector (for short ' *the LAC*') vide award dated 15.08.1987 assessed the market value of the acquired land @ Rs.30,648/- per acre for *Banjar* land and Rs.7,485/- per acre for *gair mumkin sarak-rasta* along with other statutory benefits under the Act.

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.1,00,000/- per bigha as the same was situated in close vicinity of the municipal area of Kalka, fetching higher price than as assessed by the LAC.

5. Upon notice, the same was contested by the respondent(s)-State by way of written statement while pleading that market value of the acquired land was determined after giving due consideration to the prevailing market rate and thus, the compensation awarded by the LAC to the appellants-landowners was adequate.

6. Upon framing of issues and after considering the evidence, the learned Reference Court, vide award dated 08.04.1999 enhanced the amount of compensation to Rs.45,000/- per acre for all types of land besides granting all other statutory benefits under the Act.

7. Aggrieved of the aforesaid award dated 08.04.1999 passed by the learned Reference Court, the appellants-landowners filed the present appeal(s).

8. Impugning the aforementioned award, learned counsel for the appellants submits that the learned Reference Court erred having discarded the sale instances Ex. P-2 (dated 06.06.1985) and Ex.-P-3 (dated 03.08.1984) which pertained to the same revenue estate of village

Kanguwala, Tehsil Kalka, District Ambala merely for the reason that the same pertained to small parcels of land. Learned counsel further contends that in view of the law laid down by Hon'ble Apex Court in ***"Hormal (deceased) through his LRs and Others vs. State of Haryana and Others"*** reported as ***2024(4) RCR(Civil) 758***, the sale transactions pertaining to small land parcels could be relied upon by applying suitable deductions. He thus prays that the award of the learned Reference Court needs to be modified and the market value in the case(s) in hand is required to be re-assessed.

9. Per contra, learned counsel appearing on behalf of respondent(s)-State submits that award passed by the learned Reference Court was based on proper appreciation of evidence and material available on record, warranted no interference and thus prays for dismissal of the appeal(s).

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. In the present case(s), the appellants-landowners produced on record the following two sale instances:-

Exhibits	**Dated**	**Area**	**Sale consideration**	**Price per acre**	**Village**
P-2	06.06.1985	5 biswas	Rs.27,000/-	Rs.5,18,400/-	Kalka
P-3	03.08.1984	6 biswas	Rs.20,000/-	Rs.3,20,000/-	Kanguwala

12. A perusal of the above chart shows that both the sale deeds produced by the appellants-landowners pertained to the period prior to the date of Notification under Section 4 of the 1894 Act and in close

proximity of time. A site plan (Ex. P-1) was produced on record by the appellants-landowners wherein the comparative location of the acquired land *vis-à-vis* the land parcel forming part of sale instances Exs. P-2 and P-3 was depicted. From the site plan (Ex. P-1) coupled with the deposition made by PW-3 namely, Khayali Ram, one of the landowners, it was established that the land parcel forming part of sale deed dated 03.08.1984 (Ex.P-3) was located nearer to the acquired land in comparison to the land parcel forming part of sale deed dated 06.06.1985 (Ex.P-2). Moreover, from the deposition of PW-3, it was also proved on record that the land parcel forming part of sale deed Ex. P-3 was located at a distance of 10 to 12 feet from the acquired land. No evidence to rebut or counter the said fact was adduced by the respondent(s)-State.

12.1. Furthermore, no merit can be found in the view that the sale deed dated 03.08.1984 (Ex.P-3) cannot be relied upon merely on the account that the area thereunder being smaller as compared to the land under acquisition, especially in view of the observations made by the Hon'ble Apex Court in ***Hormal's case*** (supra), that the sale exemplar pertaining to the small parcel of land also can be relied upon subject to application of suitable cut. Relevant paragraphs thereof are extracted hereunder:-

> *"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."*

In view of the detailed discussion made hereinabove, the sale instance dated 03.08.1984 (Ex.P-3) forming part of the same revenue state of Village Kanguwala, vide which 6 biswas was sold for a Rs.20,000/- with the base price of Rs.3,20,000/- per acre, having similar nature and potential, needs to be relied upon as the best suitable sale exemplar for determination of market value in the case(s) in hand.

13. However, there exists a gap of approximately 1 year and 6 months between the date of sale instance Ex.P-3 (dated 03.08.1984) and the date of notification under Section 4 of the Act (25.02.1986) in the case(s) in hand, therefore, an appreciation @ 6% per annum needs to be applied over the base price of Rs.3,20,000/- derived from sale instance

dated 03.08.1984 (Ex.P-3) and accordingly, the market price per acre comes to Rs. 3,48,800/-.

14. In the facts and circumstances of the present case(s), considering that the sale exemplar dated 03.08.1984 (Ex. P-3) pertains to a small parcel of land measuring 6 biswas, whereas the acquired land measures 9.57 acres and further taking into account its geographical proximity to the acquired land, a deduction of 50% would suffice towards comparative smallness of the area involved therein. Applying the same, the market value comes to Rs. 1,74,400/-per acre.

15. 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.1,74,400/- per acre**. The appellants-landowners shall also be entitled to all other statutory benefits and interest under the Act, especially the interest on solatium.

16. In view of the aforesaid discussion, the present appeal(s) 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.

01.04.2026 **(HARKESH MANUJA)**
Tejwinder **JUDGE**

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