2026:PHHC:063403

114 **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

RFA-886-1998 (O&M)
Decided on:-24.04.2026

Satya Narain ....Appellant.

vs.

Land Acquisition Collector, Punjab and another ....Respondents.

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: None for the appellant.

Mr. Gunjan Mehta, Addl. A.G., Punjab.

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HARKESH MANUJA J. (Oral)

1. By way of present appeal, challenge has been laid to an Award dated 17.11.1997 passed by the Court of learned Additional District Judge, Hoshiarpur (for short, ***"Reference Court"***), whereby, reference petition preferred at the instance of appellant-landowner invoking Section 18 of the Land Acquisition Act, 1894 (for brevity, ***"1894 Act"***), was partly allowed.

2. Brief facts of the case are that some land measuring 2 kanals 14 marlas owned by the appellant-landowner, situated in the revenue estate of Village Salwara, Tehsil and District Hoshiarpur, was acquired vide notifications dated 03.04.1991 (published on 06.05.1991) and 09.08.1991 (published on 16.08.1991), issued under Sections 4 & 6, respectively of the 1894 Act, for the public purpose namely, *"for construction of road"*. The Land Acquisition Collector (for short, "***LAC***") vide its award dated

01.10.1993 assessed the market value of the acquired land @ Rs.4000/- per marla along with other statutory benefits under the 1894 Act.

3. Feeling dissatisfied with the award passed by the LAC, the appellant-landowner 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 17.11.1997 partly allowed the reference petition while upholding the market value assessed by the LAC, however, reassessing the interest; besides granting other statutory benefits under the 1894 Act.

4. Aggrieved of the aforesaid decision of the learned Reference Court, the appellant-landowner preferred the present appeal.

5. No one has chosen to appear on behalf of the appellant-landowner.

6. I have heard learned counsel representing the respondent-State and gone through the paper book.

7. A perusal of the record shows that the base price derived from the sale instances produced by the respondent-State in the form of Ex. R-2 to R-12 ranged between Rs. 500/- and Rs.4,000/- per marla. Thus, the maximum sale price derived therein was Rs. 4,000/- per marla, just equivalent or lesser than the market value assessed by the LAC based on the rates fixed by the Collector for the purpose of payment of stamp duty on the registration of sale deeds. 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. In such circumstances, the same cannot be taken to be *bona fide* and genuine sale transaction reflecting the representative market value of the said land at the time of its acquisition

and as such, cannot be taken into consideration for the purpose of determination of market value in the case in hand. 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 paras 22 to 25 and 28 are 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 chars.*
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> *23. However, we agree with the learned counsel for the land owners that the High Court should not have imposed cut of ¼th in one batch of appeals and 20% cut in the other batch of appeals qua the average sale price reflected by Exhibit P1 only on the ground that the area of the land acquired by the State Government was too large as compared to 12 acres land for which sale deed Exhibit P1 was executed.*

24. In a matter like the present one, it cannot be ignored that the land was acquired for setting up an Industrial Model Township at Manesar and after developing the land, the Corporation was bound to sell the plots at much higher price to the existing or prospective industrial entrepreneurs. In this scenario, the learned Single Judges committed an error by applying ¼th or 20% cut on market value determined for the purpose of payment of compensation to the land owners.

25. This approach is in consonance with the law laid down in ***Shubh Ram v. State of Haryana (2010)1 SCC 444,*** *the relevant portions of which are extracted below :*

"16. Therefore, when deduction is made from the value of a small residential plot towards the development cost, to arrive at the value of a large tract of agricultural or undeveloped land with development potential, the deduction has nothing to do with the purpose for which the land is acquired. The deduction is with reference to the price of the small residential plot, to work back the value of the large tract of undeveloped land. On the other hand, where the value of acquired agricultural land is determined with reference to the sale price of a neighbouring agricultural land, no deduction need be made towards "development cost".

17. It is no doubt true that this Court in some decisions has observed that purpose of acquisition will also be relevant. But it is made in a different context. The Land Acquisition Collectors in some cases adopt belting methods for valuation of land, with reference to a focal point, that is, either with reference to the distance from the main road, or distance from a developed area. Lands that adjoin a developed area or a main road are given a higher value than a land farther away from the road or the developed area. The Land Acquisition Collectors also award different compensation depending upon whether the acquired land is a dry land or wet/irrigated land.

18. When different categories of lands (or lands with *different situational advantages) are acquired for the same purpose, say for forming of a residential layout, courts have sometimes felt that determination of their value with reference to previous status or situation should be avoided and a uniform rate of compensation should be awarded for all lands acquired under the same notification."*

28. Since this Court had stayed execution of the award subject to the condition of deposit of compensation amount at the rate of Rs. 10 lakhs per acre and we are informed that in compliance of the interim orders, the Corporation had deposited the compensation amount at the rate of Rs. 10 lakhs per acre, we direct it to deposit the balance amount with the Land Acquisition Collector by 31.1.2011 in the form of cheques drawn in the name of land owners and/or their legal representatives. With a view to ensure that the land owners are not fleeced by the middleman, we deem it proper to issue following further directions :

(i) The Land Acquisition Collector shall depute officers subordinate to him not below the rank of Naib Tahsildar, who shall get in touch with all the land owners and/or their legal representatives and inform them about their entitlement and right to receive enhanced compensation.

(ii) The concerned officers shall also instruct the land owners and/or their legal representatives to open savings bank account in case they already do not have such account.

(iii) The bank account numbers of the land owners should be given to the Land Acquisition Collector within three months.

(iv) The Land Acquisition Collector shall deposit the cheques of compensation in the bank accounts of the land owners."

8. Insofar as the sale instances produced by the appellants-landowners are concerned, a perusal of record shows that the appellant-

landowner produced three sale instances Ex.A-2 to Ex.A-4 in support of their claim for enhancement of the market value. The learned Reference Court was misplaced in discarding the sale instances placed on record by the appellants-landowners merely on the ground that the same were not proved on record as no parties in relation thereof were examined, especially when the certified copies of the sale deeds Ex.A-3 and Ex.A-4 were produced on record and thus ought to have been taken into account in terms of Section 51-A of the 1894 Act. My aforesaid view is also supported by the law laid down by the Hon'ble Apex Court in "***Cement Corporation of India Ltd. v. Purya"*** reported as ***2004(8) SCC 270*** wherein it was held that the certified copy of a sale deed is admissible including its content and the contents of the deeds are not required to be proven by examining vendors and vendees. The relevant portion thereof is extracted hereunder:-

> *"17. Section 51A of the L.A. Act may be read literally and having regard to the ordinary meaning which can be attributed to the term 'acceptance of evidence' relating to transaction evidenced by a sale deed, its admissibility in evidence would be beyond any question. We are not oblivious of the fact that only by bringing a documentary evidence in the record it is not automatically brought on the record. For bringing a documentary evidence on the record, the same must not only be admissible but the contents thereof must be proved in accordance with law. But when the statute enables a court to accept a sale deed on the records evidencing a transaction, nothing further is required to be done. The admissibility of a certified copy of sale deed by itself could not be held to be inadmissible as thereby a secondary evidence has been brought on record without proving the absence of primary evidence. Even the vendor or vendee thereof is not required to examine themselves for proving the contents thereof. This, however, would not mean that contents of the transaction as evidenced by the registered sale deed would automatically be accepted. The legislature advisedly has used the word 'may'. A discretion, therefore, has been conferred upon a court to be exercised judicially, i.e., upon taking into consideration the relevant factors.*
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> *18. In V. Narasaiah's case, this Court correctly understood the said scope and object of insertion of Section 51A in the LA Act when it held thus :*

> *"It was in the wake of the aforesaid practical difficulties that the new Section 51A was introduced in the LA Act. When the section says that certified copy of a registered document "may be accepted as evidence of the transaction recorded in such document" it enables the court to treat what is recorded in the document, in respect of the transactions referred to therein, as evidence."*

While coming to the above conclusion in Narasaiah's case, this Court found support from similar provisions in the other statutes like Section 293 of the Criminal Procedure Code which enables the court to use report of a Government Scientific Expert as evidence in any enquiry, trial or proceeding under the said Code, even without examining any person as a witness in a court for that purpose. Notice was also taken of Section 13(5) of the Prevention of Food Adulteration Act pertaining to the report of a Public Analyst which says that any document purporting to be a report signed by a Public Analyst may be used as evidence of the fact stated therein in any proceeding under the said Act. In Narasaiah's case, this Court also relied on a judgment of the Constitution Bench of this Court in ***Mangaldas Raghavji Ruparel & Anr. v. State of Maharashtra & Anr., (AIR 1966 Supreme Court 128)*** *which held thus :*

> *"that sub-section clearly makes the contents of the report of Public Analyst admissible in evidence and the prosecution cannot fail solely on the ground that the Public Analyst had not been examined in the case, but what value is to be attached to such report must necessarily be for the court to consider and decide."*

Thus, the reasoning of this Court in Narasaiah's case that Section 51A enables the party producing the certified copy of a sale transaction to rely on the contents of the document without having to examine the vendee or the vendor of that document is the correct position in law. This finding in Narasaiah's case is also supported by the decision of this Court in the case of Mangaldas Raghavji Ruparel (supra)."

Moreover, the genuineness of the aforementioned sale instances was not disputed by the respondent-State by way of adducing any contrary evidence on record. Thus, the sale instances produced by the appellants-landowners need to be taken into account for determination of market value in the case in hand.

8.1. The sale instance dated 21.04.1992 (Ex.A-2) pertains to period post notification under Section 4 of the 1894 Act thus, need not to be relied upon. Vide sale instance dated 13.03.1989 (Ex.A-3), 5 marlas 1 sarsahi was sold for a sum of Rs.28,350/- and the base price per marla was Rs.5,500/- and the sale deed dated 02.11.1989 (Ex.A-4), vide which, 6 marlas 6 sarsahis was sold for Rs.34,000/- with the base price per marla of Rs.5100/- per marla. Both the sale instances Ex.A-3 and Ex.A-4 pertained to the same revenue estate of village Salwara, District Hoshiarpur, thus, need be taken into account for assessment of market value in the case in hand.

8.2. Further, out of the two said sale instances, the sale deed dated 13.03.1989 (Ex.A-3) vide which 5 marlas 1 sarsahi of land forming part of the revenue estate of village Salwara was sold for Rs.5,500/- per marla, carrying the highest sale price per acre is to be relied upon for the purpose of determination of market value of the acquired land, especially in the wake of law laid down by the Hon'ble Apex Court in the case of ***Horrmal Vs. State of Haryana***, reported as ***2024(4) R.C.R. (Civil) 758*** as per which the highest valued sale exemplar needs to be relied upon while assessing the market value in compulsory land acquisition cases. Relevant portion thereof is extracted hereunder:-

> *"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:*
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> > *"....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."*
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> *28. This view has been reiterated in **Sh. Himmat Singh v. State of M.P., (2013) 16 SCC 392** where a three-judge bench of this Court consolidated various precedents to affirm that in circumstances where there are multiple sale deeds available for consideration, the Court shall rely on the highest valued exemplars unless the prices fall within a narrow range, in which case calculating an average of the values therein may be more congruous."*

9. In view of the fact that the sale instance (Ex.A-3) is dated 13.03.1989, whereas the acquisition in the present case commenced vide notification dated 03.04.1991; for the time gap of around 2 years 1 month between the date of issuance of notification under Section 4 of the 1894 Act in the case in hand and the date of sale deed (Ex.A-3), an appreciation @ 8% per annum needs to be applied over the base price per marla derived from sale instance (Ex.A-3) which accordingly, comes to approximately Rs. 6416.67 per marla (rounded off to Rs. 6417/- per marla).

10. In the humble opinion of this Court, considering the fact that the sale exemplar dated 13.03.1989 (Ex.A-3) relates to 5 marla 1 sarsahi of land *viz-a-viz* the acquisition of 2 kanals 14 marlas, as such, the same cannot be considered as the sale instance pertaining to small land parcel and thus, no deduction needs to be applied in this regard.

11. Furthermore, in view of the fact that the acquisition in the present case related to the public purpose namely, "*for construction of road"*, the State neither suffered any loss towards optimum utilization of land nor did it incur any cost towards providing of additional infrastructural amenities, thus, no development cut was required to be applied.

12. Accordingly, the market value is assessed to **Rs. 6417/- per marla** on the date of notification under Section 4 in case(s) in hand. In

addition, the landowners shall also be entitled for award of all statutory benefits and interest as provided under the provisions of 1894 Act (amended up to date). The landowners shall also be entitled for solatium besides award of interest thereupon.

13. At this juncture, it may be noticed here that admittedly, the possession of the land in question was taken over by the respondents from the appellant-landowner on 01.03.1964 itself, therefore, the appellant-landowner has been held entitled to award of interest @ 6% per annum on the market price; for the period between 01.03.1964 till the date of passing of the award by the LAC i.e. 01.10.1993.

13.1. However, in the considered opinion of this Court, in terms of the decision rendered by this Court in ***RFA-1674-2005*** titled as ***"State of Punjab and another vs. Hardev Singh and others"*** on 15.06.2026, besides award of interest @ 6% per annum w.e.f. 01.03.1964 till 24.09.1984 and thereafter for a period of one year the interest would be @ 9% per annum and post that till the passing of the award, the appellant-landowner will be entitled for interest @ 15% per annum. The relevant paras No.9 and 10 of the above referred decision are reproduced hereunder:-

> *"9. Admittedly, the possession of the subject land was taken over by the appellant State from the landowners on 07.07.1964 for its utilization for construction of Chand Bhan Drain from R.D. 12050 to 12710 and 13660 to 15360. However, the acquisition proceedings commenced vide notification dated 16.09.1999 issued under Sections 4 and 6 of the Act followed by the award dated 07.09.2001 passed by the LAC, thereby awarding market value @ Rs.2.50 lakhs per acre. Admittedly, the acquisition proceedings were carried out by the appellants in view of the directions issued by this Court in CWP No. 7472-1996 by one of the landowners, namely, Budh Singh. So as to deal with the submission raised on behalf of the appellant as regards rate of interest, it may be relevant to take comparative notice of Sections 34 of the 1894 Act and that of the Amendment Act No. 68 of 1994:-*

Section 34 of the Act	***Section 34 of Amended Act No.68 of 1984***
34. Payment of interest *When the amount of such compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of six per centum per annum from the time of so taking possession until it shall have been so paid or deposited.*	***34. Payment of interest*** *When the amount of such compensation is not paid or deposited on or before taking possession of the land, the Collector shall pay the amount awarded with interest thereon at the rate of nine per centum per annum from the time of so taking possession until it shall have been so paid or deposited:* *Provided that if such compensation or any part thereof is not paid or deposited within a period of one year from the date on which possession is taken, interest at the rate of fifteen per centum per annum shall be payable from the date of expiry of the said period of one year on the amount of compensation or part thereof which has not been paid or deposited before the date of such expiry."*

A perusal of the aforesaid shows that the interest payable to the landowners on account of delayed disbursal of compensation under the unamended 1894 Act was at the uniform rate of 6% per annum which by carrying out amendment through Act No. 68 of 1984; made effective from 24.09.1984 was increased to 9% per annum for a period of one year from the date on which possession was taken and thereafter @ 15% per annum till the payment was made.

10. Thus, the learned Reference Court having awarded interest payable to the landowners from the date of taking over of possession from them by the appellant –State on 07.07.1964 till the date of payment of compensation under the award, drawing analogy and inference from Section 34 of the Act, as interest was required to take note of the fact that the interest payable in terms of the original un-amended Section 34 was 6% which came to be increased to 9% for the first year w.e.f. 24.09.1984 and thereafter 15% for the subsequent period i.e. till the date of payment. In such circumstances, Award passed by the learned Reference Court needs modified to the extent that the respondent/ landowners shall be entitled for damages in the form of interest @ 6% of the compensation amount w.e.f. 07.07.1964 till 23.09.1984 and for the subsequent period it shall be in terms of amendment Act No.68 of 1984 i.e. @ 9% for the first year i.e. upto 23.09.1985 and thereafter @ 15% till the actual disbursement of payment under the Award. The same is ordered accordingly."

14. In view of the aforesaid discussion, the present appeal filed at the instance of appellant-landowner is partly accepted.

15. Further, in case of unfortunate demise of any of the 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.

16. As no one has chosen to appear on behalf of the appellant-landowner, the respondent-State shall be duty bound to inform the appellant-landowner/the legal representatives about the passing of this decision in writing. The Registry of this Court shall also serve a copy of this decision upon the landowner-legal representatives and a report to this effect be placed on record. In case, the landowner is not served, the appeal be again listed for the said purpose.

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

24.04.2026 **(HARKESH MANUJA)**
sonika **JUDGE**

Whether speaking/reasoned: Yes
Whether reportable: Yes