IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

148

RFA No.3072 of 2019 (O&M)
with other connected cases
Date of Decision: 09.04.2026

STATE OF HARYANA THROUGH COLECTOR, GURGAON.....Appellant
Vs
SUBHAN KHAN AND ANOTHER ...Respondents

CORAM: *HON'BLE MR. JUSTICE HARKESH MANUJA*

Present: Mr. Abhinash Jain, D.A.G., Haryana
for the appellant(s).

Ms. Mansi Majoka, Advocate
Mr. Bhisham Kumar Majoka, Advocate
Mr. Karan Singh Sura, Advocate
Mr. Jayant Yadav, Advocate for Mr. P.R. Yadav, Advocate
for the respondent(s)/landowner(s).

Mr. P.S. Saini, Advocate with Ms. Surbhi Rana, Advocate
for the respondent/Market Committee, Tauru.

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HARKESH MANUJA, J. (Oral)

[1]. Vide this common order, the present appeals bearing RFA Nos.3072 of 2019, 1300 & 1421 of 2021; 2706 & 3161 of 2018 with XOBJR-275 of 2022, 3170 to 3174 of 2018; 3073 to 3091 & 3388 of 2019; 417, 418 & 419 of 2020; 980, 1001 to 1006, 986 to 993 & 995 of 2024, are being decided as all these appeals have arisen out of common acquisition and involve identical facts and questions of law. For the sake of brevity, facts are being taken from **RFA No.3072 of 2019.**

[2]. By way of present appeal(s), challenge has been laid to the Award dated 27.11.2017 passed by the learned Addl. District Judge, Nuh (hereinafter to be referred as the '*Reference Court*').

[3]. Briefly stating, in the present case(s), certain land owned by the respondents/landowners, situated within the revenue estate of village Tauru, Tehsil Nuh, (the then District Gurugram) was acquired vide Notifications dated 30.04.1992 and 29.04.1993 issued under Sections 4 & 6 of the Land Acquisition Act, 1894 (for short the '***1894 Act***') respectively for the public purpose, namely, *"for the extension of new grain market, Tauru".* Award under Section 11 of the 1894 Act was passed by the Land Acquisition Collector (for short '***the LAC***') on 31.10.1994, whereby market value of the acquired land was assessed @ Rs.4,00,000/- per acre upto one acre depth from the road and Rs.2,50,000/- per acre for the remaining land besides granting all other statutory benefits under the 1894 Act.

[4]. Aggrieved thereof, the landowners preferred their objections in terms of Section 18 of the 1894 Act which were referred to the learned Reference Court, which came to be partly accepted vide its award dated 13.03.2000, while re-assessing the market value of the acquired land @ Rs.5,00,000/- per acre irrespective of its nature.

[5]. The aforesaid award dated 13.03.2000 was challenged by the landowners as well as the Market Committee before this Court by way of filing ***RFA No.1542 of 2000*** titled '***Smt. Pooja Rani and another Vs. State of Haryana and another***'. Vide decision dated 14.12.2015 passed by this Court in the said appeal, the matter was remitted back to the learned Reference Court with the following observations: -

> *"A perusal of paragraph 14 of the impugned award shows that sale deeds (Ex. R1 to Ex. R10) were not considered by the learned Court below*

relying upon the judgments of Hon'ble the Supreme Court in Kumari Veeraiah v. State of Andhra Pradesh, (1995) 4 SCC 136, whereas the same was held to be not good law subsequently in terms of the judgment of Hon'ble the Supreme Court in Ram Singh's case (supra).

The enunciation of law in Ram Singh's case (supra) has not been disputed by learned counsel appearing for the land owners. In view of the enunciation of law in Ram Singh's case (supra), the sale deeds, as produced by the State and the landowners, were required to be considered for the purpose of determination of fair value of the acquired land. Certified copy of the sale deed can very well be considered as relevant piece of evidence without the parties to the transaction having been examined in court. However, that does not preclude the court from rejecting the transaction itself as being mala fide or sham provided such a stand is taken before the Court. However, the same having not been considered at all and the value having been determined only on the basis of sale deeds produced by the land owners, in my opinion, the same would require further consideration by the learned Reference Court.

Accordingly, the impugned award passed by the learned court below is set aside. The matters are remanded back to the Reference Court for consideration of the matter afresh on the basis of the material already placed on record by the parties. The parties are directed to appear before the learned District Judge, Gurgaon on 27.2.2016. As the acquisition in the present case is pertaining to the year 1992, it would be appreciated, if the matters are disposed of early."

[6]. Thereafter, the learned Reference Court rendered the impugned award dated 27.11.2017 whereby the market value of the acquired land was reassessed at Rs.6,72,000/- per acre, which stands assailed by way of filing the present appeal(s) by the landowners, State as well as the Market Committee, Tauru before this Court.

CONTENTION(S):

ON BEHALF OF THE MARKET COMMITTEE & STATE:-

[7]. Impugning the aforesaid Award, learned counsel for the appellant/State as well as learned counsel representing the Market Committee, Tauru, submit that the learned Reference Court did not appreciate the sale instances produced by them in proper perspective. Learned counsel also contends that the sale deeds Ex.R-1 to Ex.R-10 could not have been discarded merely for the reason that the sale price thereunder was less than the market value assessed by the LAC, as such, the impugned award dated 27.11.2017 passed by the learned Reference Court was liable to be set aside and the appeals filed at the instance of State and Market Committee, Tauru were to be allowed.

ON BEHALF OF THE LANDOWNER(S):-

[8]. Per contra, learned counsel for the respondents-landowners submits that in the wake of evidence available on record, it was proved that the land parcels forming part of the sale instance dated 31.01.1991 (Ex.P-10) produced by the landowners formed part of the acquired land. Learned counsel thus, submits that the application of 20% cut on the base price per acre, as derived from the sale instance dated 31.01.1991 (Ex. P-10) was unwarranted. He contends that the learned Reference Court rather ought to have granted appropriate appreciation in favour of the landowners to account for the time gap between the date of the said sale deed and the date of notification issued under Section 4 of the 1894 Act, i.e., 30.04.1992. He thus, prays that on the basis of material on record, the market value was required to be re-assessed and the appeal(s) preferred at the instance of

landowners were to be allowed whereas the appeal(s) preferred by State and the Market Committee, Tauru were to be dismissed.

DISCUSSION AND REASONING: -

[9]. I have heard learned counsel for the parties and gone through the paper book as well as records of the case(s). I find substance in the submissions made on behalf of the respondents/landowners.

[10]. Before proceeding further, details of the sale instances produced by the landowners as well as State in furtherance of their claims are reproduced hereunder:-

Sale deeds produced by the landowners:-

Exhibit	Sale deed No./ Date	Area K-M	Total Sale Consideration	Base Price Per Acre	Village
Ex.P-10	1431/31.01.1991	0-16	Rs.75,000/-	Rs.7,50,000/-	Tauru
Ex.P-11	1334/14.01.1991	0-10	Rs.45,000/-	Rs.7,20,000/-	Tauru

Sale deeds produced by the State:-

Exhibit	Sale deed No./ Date	Area K-M	Total Sale Consideration	Base Price Per Acre	Village
Ex.R-1	146/18.05.1992	1- 1	Rs.8,000/-	Rs.60,912/-	Tauru
Ex.R-2	147/18.05.1992	1-18	Rs.18,000/-	Rs.75,790/-	Tauru
Ex.R-3	18.10.1991	0-10	Rs.20,000/-	Rs.3,20,000/-	Tauru
Ex.R-4	18.10.1991	0-5	Rs.10,000/-	Rs.3,20,000/-	Tauru
Ex.R-5	09.12.1991	0-5	Rs.10,000/-	Rs.3,20,000/-	Tauru
Ex.R-6	09.12.1991	0-10	Rs.20,000/-	Rs.3,20,000/-	Tauru

Ex.R-7	09.12.1991	0-5	Rs.10,000/-	Rs.3,20,000/-	Tauru
Ex.R-8	46/20.04.1992	0-10	Rs.20,000/-	Rs.3,20,000/-	Tauru
Ex.R-9	21.01.1992	0-9	Rs.20,000/-	Rs.3,55,555/-	Tauru
Ex.R-10	948/29.01.1992	0-10	Rs.20,000/-	Rs.3,20,000/-	Tauru

[11]. From the above table, it can be noticed that the sale instances Ex.R-1 & Ex.R-2 each dated 18.05.1992 produced by the appellant(s)-State pertained to the period post notification under Section 4 of the 1894 Act in the case(s) in hand, thus need not to be relied upon. Furthermore, on a conjoint reading of the sale instances Ex.P-10 and Ex.R-3 to Ex.R-7 alongwith the award dated 31.10.1994 passed by the LAC against the present acquisition, it can be discerned that these sale instances formed part of the acquired land itself. A comparative chart showing details of the acquired land *viz-a-viz* land parcels forming part of sale instances Ex.P-10, Ex.R-3 to Ex.R-7, is extracted hereunder:-

Details of acquired land				Details of land forming part of sale instances		
Killa No(s)	Area (K-M)	Killa No(s)	Area	Exhibit	Killa (Nos)	Area (K-M)
97/4	7-2	98/12/1/1	0-16	Ex.P-10	98//22/1	0-16
5/1	2-17	12/2/1	1-16	Ex.R-3	97//6	0-10
5/2	1-8	19/2	2-12	Ex.R-4	97//15	0-5
5/3	2-17	20	8-0	Ex.R-5	97//6	0-5
6	8-0	21	8-0	Ex.R-6	97//6	0-10
7	8-0	98/22/1	2-12	Ex.R-7	97//6	0-5

<table>
<tr><td>14/1</td><td>2-2</td><td>103/1</td><td>8-0</td></tr>
<tr><td>14/2</td><td>5-16</td><td>2/1/1</td><td>0-13</td></tr>
<tr><td>15</td><td>8-0</td><td>2/2/1</td><td>1-19</td></tr>
<tr><td>16</td><td>8-0</td><td>9/2</td><td>2-6</td></tr>
<tr><td>97/17</td><td>8-0</td><td>10</td><td>7-2</td></tr>
<tr><td>24</td><td>8-0</td><td>104/4</td><td>8-0</td></tr>
<tr><td>25</td><td>8-0</td><td>5</td><td>8-0</td></tr>
<tr><td>98/1</td><td>7-2</td><td>6</td><td>7-2</td></tr>
<tr><td>2/1</td><td>2-6</td><td>7</td><td>7-2</td></tr>
<tr><td>9/2</td><td>2-12</td><td colspan="2" rowspan="4">Kitta 34 180-2
(22 Acres 4 Kanals 2 marlas)</td></tr>
<tr><td>10</td><td>8-0</td></tr>
<tr><td>11/1</td><td>2-0</td></tr>
<tr><td>11/2</td><td>6-0</td></tr>
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In view of above, once the land parcels forming part of the sale instances Ex.P-10 as well as Ex.R-3 to Ex.R-7 constituted part of the acquired land itself, thus, it is evident that they possessed similar nature and potential value thereto. Therefore, the aforementioned sale instances need to be considered for the purpose of determination of market value in the case(s) in hand.

[12]. Out of the aforementioned six sale deeds, the sale instance dated 31.01.1991 (Ex.P-10) pertaining to the same revenue estate of village Tauru, vide which 16 Marlas of land was sold @ Rs.75,000/- with the base price of Rs.7,50,000/- per acre, fetching the highest sale price needs to be relied upon for assessing the market value, especially, in the wake of law laid down by the Hon'ble Apex Court in case of 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 was to considered while assessing the market value in the cases of compulsory land

acquisition. Relevant paragraph Nos.27 and 28 from ***Horrmal's*** case (supra) are 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."*

[13]. Taking into account the fact that the sale deed (Ex.P-10) is dated 31.01.1991, whereas the acquisition in the present case(s) commenced vide notification dated 30.04.1992; for the time gap of around 15 months, between the date of sale deed (Ex.P-10) and the date of issuance of notification under Section 4 of the 1894 Act in the case(s) in hand, suitable appreciation needs to be awarded in

favour of the respondents)/landowners in view of the geographical location of the acquired land which is situated in the heart of Tauru Town and further surrounded by Housing Board Colony, Power Station, Dharamshala, Grain Market, Roads, Petrol Pumps and other commercial establishments; as noted by the learned Reference Court in the impugned award.

[13.1]. The positive finding of fact as recorded by the learned Reference Court based on the material evidence on record with respect to the locational and potential advantage attached to the land under acquisition in para No.26 of its award is extracted hereunder:-

> *"26 The statement of PW4 Lal Chand could not be rebutted by the respondents. In his cross-examination, potentiality, location and situation of the acquired land stands established. It can be presumed that the acquired land had great potential value of converting the same in any manner i.e. commercial. residential or industrial. His statement is further supported by the statement of PW3 Sat Narain Draftsman, who had proved site plan showing the location of the acquired land and various other amenities existing in Tauru town in or around the acquired land. From the site plan Ex.P4, it is clear that the acquired land is situated in the heart of Tauru town, surrounded by Housing Board Colony, Power Station, Dharamshala, Grain Market, Roads, Petrol Pumps, Factories etc. …………………………*
>
> *xxx xxx xxx*
>
> *…………… It may further be observed that the land acquired in the award Ex.P3 is situated on the outskirts of the Tauru town whereas the land acquired in the present case is surrounded by various roads and is situated in the heart of the town and is surrounded by various civil basic amenities and facilities……..."*

No evidence to the contrary having been pointed out by either of the learned counsel representing the appellants to controvert the said finding, in such circumstances, since it is evident that the acquired land had significant locational and potential value attached to it, an appreciation @ 12% per annum (in *toto* 15%) needs to be granted over the base price of Rs.7,50,000/- per acre derived from sale instance dated 31.01.1991 (Ex.P-10) which comes to Rs.8,62,500/- per acre.

[14]. Insofar as the smallness of the land parcel forming part of the sale deed dated 31.01.1991 (Ex.P-10) is concerned, the acquired land in the present case(s) measures 180 Kanals 2 marlas whereas the sale instance Ex. P-10 pertains to 16 Marlas. However, a perusal of the sale deeds produced on record by the both the sides, it can be discerned that the area in and around the acquired land parcel was being sold in the form of small plots, therefore, the acquired land carried locational and potential advantage for being used for residential and commercial purpose, having all necessary basic civic amenities and facilities available to it. Also, keeping in mind that the sale instance Ex.P-10 also formed part of the acquired land, a deduction @ 10% over the base price per acre derived from the sale instance dated 31.01.1991 (Ex.P-10), towards smallness of its area would suffice which thereupon comes to Rs.7,76,250/- per acre.

[15]. Further, in the given facts since the acquisition in the case(s) in hand was carried out for the public purpose, namely, *"for the extension of new grain market, Tauru"* as such, the appellant(s) neither suffered any loss towards optimum utilization of the area acquired nor did it incur expenditure towards providing of

additional infrastructural amenities thus, no cut towards development costs needs to be imposed.

[16]. Simultaneously, learned counsel for the respondents/landowners has also drawn notice of this Court that in terms of notification dated 04.03.1983 issued under Section 4 of the 1894 Act followed by Award dated 28.01.1987 passed by the LAC in exercise of powers under Section 11 of the 1894 Act, 32 Kanals of land situated in the same revenue estate; located exactly opposite the present acquired land in village Tauru (the then District Gurugram) was acquired for public purpose, namely, *"for construction of Sub Tehsil Building, Offices and residential quarters"* and the market value with respect to the said acquisition was finally re-assessed @ Rs.4,23,360/- per acre vide order dated 16.05.2016 passed by this Court in ***RFA No.1087 of 1990*** titled '***Ram Lal Vs. State of Haryana and another***'. The relevant portion thereof is extracted hereunder:-

> *"Considering the peculiar facts and circumstances of the cases noted above, coupled with the reasons aforementioned, this Court is of the considered view that instant appeal deserves to be partly accepted and the same are hereby allowed to the extent indicated above. The land owner-appellant is held entitled to receive the compensation for his acquired land at the rate of Rs.4,23,360/- per acre, from the date of notification under Section 4 of the Act. Besides this, the land owner shall also be entitled for all other statutory benefits available to him, under the relevant provisions of the Act."*

Learned counsel appearing on behalf of the State as well as Market Committee, Tauru have not been able to controvert the aforesaid contention raised on behalf of the respondents/landowners.

[16.1]. Even if for the time gap between the two notifications i.e. the previous acquisition carried out pursuant to notification dated 04.03.1983 and the present acquisition effected vide notification dated 30.04.1992, an appreciation is applied @ 9% per annum for 09 years and 02 months, the price as on 30.04.1992 comes to Rs.7,72,632/- per acre which does not significantly differ from the value assessed by this Court on the basis of the sale instance dated 31.01.191 (Ex.P-10).

[17]. Accordingly, the market value for the land under acquisition is assessed at a uniform rate of **Rs.7,76,250/- per acre** as on the date of notification under Section 4 of the 1894 Act. In addition, the landowners shall also be entitled for award of all statutory benefits and interest as provided under the provisions of the 1894 Act (amended upto date). The landowners shall also be entitled for solatium besides award of interest thereupon.

[18]. Consequently, in view of the discussion made hereinabove, the appeal(s) preferred at the instance of landowners are hereby partly allowed in the aforesaid terms and the appeal(s) filed by the State and Market Committee, Tauru are hereby dismissed.

[19]. 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 application(s) before the learned Executing Court.

[20]. All pending application(s), if any, shall also stand disposed of.

(HARKESH MANUJA)
JUDGE

April 09, 2026
Atik

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