2026:PHHC:022875

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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-119-2015 and other connected cases with XOBJR-11-CI-2014
Date of Decision: February 13, 2026

DEVKI NANDAN AND ORS .....Appellants

Versus

STATE OF HARYANA & ORS ......Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Sanjay Mittal, Advocate for the appellants.

Mr. Lokesh Sharma, Advocate and
Mr. Aditya Sanghi, Advocate for appellants.

Mr. Anshul Dhiman, Advocate for
Mr. Munish Gupta, Advocate for the appellants in
RFA-924-2015 and RFA-908-2017.

Mr. Abhishek Jain, DAG, Haryana.

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HARKESH MANUJA, J. (ORAL)

Vide this common order, a batch of 11 Regular First Appeals shall stand disposed of, details whereof are mentioned in the foot note of the judgment. For convenience, the facts are drawn from RFA-119-2015.

2. By way of present appeal, challenge has been laid to the judgment dated 04.08.2014 passed by the learned Additional District Judge, Narnaul (hereinafter referred to as '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, land measuring 16.44 acres, situated within the revenue estate of Village Narnaul, Hadbast No.159, Tehsil Narnaul, District Mahendragarh was acquired for the public purpose, namely, "*for*

laying sewerage pipe-line, sewerage dumping station and sewerage Treatment Plant at Narnaul" vide notifications dated 27.12.2006 and 28.12.2006 issued under Sections 4 and 6 respectively of the Act. The Land Acquisition Collector (for short 'LAC') passed Award No.22 dated 26.12.2008 assessing the market value at the rate of Rs.20,00,000/- per acre 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.10,000/- per square yard as the same was situated near the State Highway, being surrounded by residential houses and commercial area.

5. Upon notice, the same was contested by the respondents-State by filing written statement. It was pleaded that the market value of the acquired land was rightly assessed by the LAC as the same was in consonance with the rate fixed with by the Divisional Level Land Rates Fixation Committee.

6. On the basis of pleadings of the parties, the following issues were framed by learned Reference Court on 05.05.2012:-

> *"1. What was the market value of the acquired land on the date of the publication of notification under Section 4 of the Land Acquisition Act, 1894? OPP*
>
> *2. Whether the petitioners are entitled to any enhanced compensation, if so, at what rate? OPP*
>
> *3. Whether the petitioners are entitled to interest, at what rate and from the date of possession? OPP"*

7. After considering the evidence, the learned Reference Court, vide award dated 04.08.2014 enhanced the amount of compensation to Rs.930/- per square yard for the land situated upto 200 feet from

Mahendragarh-Narnaul road and Rs.750/- per square yard for the remaining land, beyond 200 feet from Mahendragarh-Narnaul road.

8. Aggrieved of the decision dated 04.08.2014 of the learned Reference Court, the appellants-landowners filed the present appeal(s).

9. Impugning the aforementioned award, learned counsel appearing on behalf of appellants-landowners submits that the learned Reference Court went wrong having discarded the sale instances Exs. PW-12/B dated 18.08.2003, PW-12/C dated 30.10.2003 and P-37 dated 11.08.2003 which were all relating to the period prior to the Notification under Section 4 of the Act in the case(s) in hand. He also points out that in view of the site plan proved on record as Ex.P-6, the land parcels forming part of the aforementioned sale instances were in close geographical proximity to the acquired land.

9.1 Learned counsel further contends that the learned Reference Court went wrong having ignored the award (EX.PW-1/D) dated 22.03.2012 which pertained to the notification issued under Section 4 of the Act on 26.08.1999 vide which the land was acquired for the development and utilization of HUDA Sector-1 (Part), Narnaul and the market value was determined @Rs.2450/- per square meter. He points out that from the perusal of site plan P-X, it is evident that the land parcels acquired for development of Sector-1 Narnaul as well as its extension were located just opposite the acquired land on the other side of Narnaul-Mahenderagarh Road and thus, both the land parcels had similar locational and potential advantage attached thereto. Learned counsel, therefore submits that determination made by the learned Reference Court was required to be re-assessed by applying appreciation @15% per annum at compound rate for the time gap between the two notifications i.e. notification dated 26.08.1999 (previous acquisition) and the notification dated 27.12.2006 (present acquisition).

10. On the other hand, learned counsel for the respondents-State submits that the sale deeds produced by the appellants-landowners were rightly discarded by the learned Reference Court being related to small pieces of land. He further submits that there was no similarity in the nature and character of the land comprised in the sale exemplars and thus, the rejection of the same was proper and in accordance with law.

10.1 Learned State counsel also contends that the learned Reference Court rightly relied upon the decision of this Court in ***RFA No. 788 of 2006*** titled "***Kirpal Singh v/s Government of India and Another"*** dated 17.03.2009 (Ex.P-Z) which pertained to the notification dated 30.10.1992 under Section 4 of the Act whereby, the land was acquired for development of Sector-1, HUDA, Narnaul rather than relying upon the determination made by the learned Reference Court vide award dated 22.03.2012 (EX.PW-1/D) which pertained to the notification dated 26.08.1999 under Section 4 of the Act. Learned counsel thus submits that no interference was called for with the award passed by the learned Reference Court in the case(s) in hand as the same was based on proper appreciation of pleadings and the evidence available on record. He thus submits that the appeals preferred at the instance of appellants-landowners were liable to be dismissed.

11. 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.

12. Before proceeding further, it may be relevant to take note of the findings recorded by the learned Reference in relation to the

locational and potential value attached to the acquired land being part of the Municipal Council, Narnaul; located on Mahendragarh-Narnaul road (State Highway) and surrounded by commercial establishments as well as residential colonies. Relevant paragraph No.26 from the award dated 04.08.2014 passed by learned Reference Court being relevant is extracted hereunder:-

> *"26. The case of the petitioners is that the land acquired is situated on Mahendergarh-Narnaul Road and surrounded by residential area and Shastri Nagar Colony and also by Commercial area. To substantiate, the counsel for the petitioners have relied upon site plan Ex.PW6/A, site plan Ex.PX, Ex.PW1/F and Ex.P23. EX.P23 is Aksh Sajra showing the location of the land on Mahendergarh-Narnaul Road. Ex.PW1/F is the copy of notification issued by Department of Urban Development, Haryana showing the Municipal Limits of Municipal Council, Narnaul. It is clear from ExPW/A that one side of the acquired land starts from Mahendergar-Narnaul road and surrounded by residential area, Aggarwal Hospital, Ganpati Garden and on the Southern-western side there is Shastri Nagar Colony. Ex.PX corroborates the location of the land as given in site plan Ex.PW6/A. Considering the evidence on record, it is clear that the acquired land is within the municipal limit and was surrounded by residential area mainly Shastri Nagar Colony. Learned counsel for the respondents have not disputed the location of the acquired land within the municipal limit and in the heart of the city. Location of the land is one of the factors which is to be considered by the court while assessing the compensation to be awarded to the land owners while considering the other evidence like sale deeds etc."*

The aforesaid findings of the learned Reference Court have not been assailed by the respondents-State either by way of filing of any cross-appeal or even by cross-objection. Moreover, the learned State has not referred to any oral or documentary evidence so as to point out any infirmity with the aforesaid findings recorded by the learned Reference Court. Thus, the same needs to be treated as final and conclusive.

13. Further, the details of the sale deeds as well as the Reference Court awards relied upon by the appellants-landowners is as follows:-

Detail of sale deeds:

Exhibit	Sale deed No. and dated	Area	Consideration	Rate per square yard
PW12/B	1107 18.08.2003	20 square yards	Rs.1,50,000/-	Rs.7500/-
PW 12/C	1904 30.10.2003	5 biswansi (36.66 square yards)	Rs.2,78,000/-	Rs.7583/-
P-35	456 14.05.2010	64.27 square yards	Rs.8,35,000/-	Rs.12,992/-
P-37	1039 11.08.2003	20 square yards	Rs.1,50,000/-	Rs.7500/-

Detail of awards:

Exhibit	Date of Award	Date of Section 4	Purpose	Decision by	Compensation
PW-1/D	22.03.2012	26.08.1999	For development of Sector-1 (Part), Narnaul	Additional District Judge, Narnaul	Rs.2450/- per square meter
P-Z	17.03.2009	30.10.1992	For development of residential area, Sector-1 Narnaul.	Punjab and Haryana High Court	Rs.300/- per square yard upto 200 feet from Mahendragarh-Narnaul Road and Rs. 5 lacs per acre beyond the land located on the main road

As regards the sale deed Ex.P-35 dated 14.05.2010, the same needs to be discarded as it pertains to the period post-notification issued under Section 4 of the Act in the case(s) in hand. Besides it, as per the remaining three sale deeds, the amount of sale consideration ranged between Rs.7500/- per square yards to Rs.7583/- per square yard somewhere in August to October 2003. A perusal of the above-mentioned three sale deeds reflects that the same pertain to land parcels forming part of khasra No.1508-1509. Simultaneously, from the award dated 26.12.2008 passed by the Land Acquisition Collector it, becomes apparent that some part of the land parcel from khasra No.1508 *min* is also part of the present acquisition. Thus, in such circumstances, in view of the law laid down by the Hon'ble Supreme Court in case titled as "***Dollar Company, Madras. Vs. Collector of Madras*** reported as ***1975(2) SCC 730",*** reliance needs to be placed upon the sale instances Exs.P-12/B, P-12/C and P-37 being the best evidence(s) as they aptly reflect the value of the very property to which the appellants-landowners are claimants herein. Relevant portion from paragraphs No.5 & 7 thereof are extracted hereunder:-

> *"5. It is true that compensation for compulsory acquisition, as governed by s. 23, gives high priority to the market value of the land at the date of the publication of the notification under s. 4, sub-s. (1). But what is market value? It is a common place of this branch of jurisprudence that the main criterion is what a willing purchaser would pay a willing vendor. Ordinarily a party will be entitled to get the amount that he actually and willingly paid for a particular property, provided the transaction be bona fide and entered into with due regard to the prevalent market conditions and is proximate in time to the relevant date under S. 23. We may even say that the best evidence of the value of property is the sale of the very property to which the claimant is a party. If the sale is of recent date, then all that need normally be proved is that the sale was between a willing purchaser and willing seller, that there has not been any appreciable rise or fall since and that nothing has been done on the land during the short interval to raise its value (See Parks 'Principles & Practice of Valuations' p. 29-Eastern Law House-Calcutta,-IV Edition 1970). But if the sale was long ago, may be the Court would examine more recent sales of comparable lands as throwing better light on current land value…..*
>
> *XXXXXXX*
>
> *7. Property valuation as a practiced art is greatly influenced by legal and economic constraints. But, in this case, we do not*

have any complex considerations since helpful indicators are available. Price paid by the owner recently represents an expression of market value, as bona fide evidence of value, subject to such matters as (a) the relationship of the parties; (b) the market conditions and the terms of sale and (c) the date of sale. It may not end the enquiry but goes a long way to solve the problem….."

14. Moreover, the only fact that the abovementioned three sale instances relate to small parcels of land cannot be the basis to discard the same especially when it has been proved on record the land forming part of the aforementioned sale instances was located in close geographical proximity to the acquired land and thus was of similar nature and potential. Besides it, no evidence was led by the respondents to assail the genuineness or *bona fide* of such sale transactions and therefore, the same, need to be relied upon being relevant evidence. Further, Ex. PW12/C is the sale instance fetching the highest sale price, thus, would be the best sale exemplar for determining market value in the present case(s) in terms of law laid down by the Hon'ble Apex Court in ***"Horrmal (deceased) through his LRs and Others vs. State of Haryana and Others"*** reported as ***2024 INSC 797.*** The relevant Paragraph Nos. 27 and 28 are extracted hereunder for reference:-

"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 identity the most suitable sale deeds) 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."

28. This view has been reiterated in Sh. Himmat Singh v. State of M.P., 13 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."

15. However, taking into account the fact that the sale deed (Ex.P-W12/C) is dated 30.10.2003, whereas the acquisition in the present case(s) commenced vide notification dated 27.12.2008; for the time gap of around 3 years, 2 months between the date of sale deed (Ex.P-W12/C) 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 respondent(s)-landowner(s). As already noted above, the land under acquisition being strategically situated on the Mahendragarh–Narnaul Road (State Highway); surrounded by commercial establishments as well as developed residential colonies and also formed part of the Municipal Council, Narnaul, thus, had significant geographical and potential advantage attached to it. Therefore, it would appropriate to grant appreciation @ 12% per annum over the base price derived from the sale instances.

16. Further, considering the fact that the total land sold vide three sale instances Exs.PW12/B, PW12/C and Ex.P-37 comes to around 76 square yards whereas the land under acquisition was 16.44 acres in the case(s) in hand, a cut of 50% needs to be applied towards smallness of area, which is deemed sufficient in the opinion of this Court, keeping in

view the locational and potential advantage attached to the acquired land. Accordingly, applying appreciation @12% over the highest of sale price fetched vide sale instance Ex.PW12/C dated 30.10.2003 and then a subsequent cut of 50% thereupon, the price thus comes to Rs.5,232/- per square yard. (7583 + 12% p.a. appreciation for 3 years 2 months = 10,464) then [10,464 – (50% of 10,464) = Rs.5232/-].

17. Similarly, taking into account the large time gap between the previous notification dated 30.10.1992 issued under Section 4 of the Act relating to the decision dated 17.03.2009-Ex.P-2 whereby, the maximum market value for the said land acquired for the development as HUDA Sector-1, Narnaul was assessed at Rs.300/- per square meter, in the given facts and circumstances, rather a reliance could be placed upon the award dated 22.03.2012-Ex.PW-1/D which related to notification issued under Section 4 of the Act on 26.08.1999 for development of land for HUDA, Sector-1 (Part) Narnaul which was relatively closer in terms of time period of the present acquisition.

17.1. Consequently, if the market value in the present case(s) is assessed while placing reliance upon the award Ex.PW1/D dated 22.03.2012 which pertained to the notification issued under Section 4 of the Act on 26.08.1999 for development and utilization of HUDA Sector-1 (Part), Narnaul and the land acquired therein was situated opposite the acquired land herein; across Mahendragarh-Narnaul Road (State Highway) and the market value was fixed at Rs.2,450/- per square meter; by applying 12% appreciation per annum thereupon, while taking into consideration the similar locational and potential advantage attached to the acquired land in the case in hand, for the time gap of 7 years and 4 months between the previous acquisition (dated 26.08.1999) and present acquisition (dated 26.12.2008), the base price per acre comes to Rs.4,630/- per square meter (Rs.5,538/- per square yards) which is not significantly different from the market value determined hereinabove.

18. Thus, in view of the detailed discussion made hereinabove, taking either of the two angles, in view of the material available on record, it would be appropriate to assess the market value of the acquired land as on the date of notification under Section 4 of the Act in the case(s) in hand to be Rs.5,232/- per square yard.

19. Insofar as the adoption of belting system while granting compensation is concerned, from the evidence available on record in the form of site plan Ex.PW-6/A and Ex.PX besides Aks Shajra Ex.P-23 and also the notification issued by the Department of Urban Development, Haryana as Ex.PW-1/F1, it is established on record that the acquired land formed part of the municipal limits of Municipal Council, Narnaul and was located on Mahendragarh-Narnaul Road (State Highway). The site plan Ex.PX also shows that from one side the acquired land abuts the State Highway leading from Narnaul to Mahendragarh and its major portion is surrounded by commercial establishments as well as residential colonies, thus, it has great locational advantage and potential attached to it. Yet, taking into account the fact that the start of the acquired land abuts the State Highway leading from Narnaul to Mahendragarh and thereafter extends deeper into the interior away from the highway, the landowners shall be entitled for market value @ Rs.5232/- per square yard for the acquired land up to 500 meters from the State Highway and beyond that there shall be deduction of 10% for the remaining land i.e. Rs.4,709/- (5232 – 5232 x 10%).

20. Thus, for the purpose of the present acquisition, the market value of the land in question, as on the date of notification under Section 4 of the Act, stands determined at the rate of ₹5,232/- per square yard (rounded off) up to 500 meters from the State Highway leading from Narnaul to Mahendergarh whereas, Rs.4,709/- per square yard (rounded off) for the remaining acquired land, after applying 10% deduction thereupon. Besides it, the landowner-appellant shall also be entitled for all the statutory benefits and interest, especially the interest on solatium.

21. In view of the aforesaid circumstances, the present appeal(s) are disposed of with the aforesaid modification.

22. 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.

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

13.02.2026 **(HARKESH MANUJA)**
Tejwinder **JUDGE**

Whether speaking/reasoned	*Yes/No*
Whether Reportable	*Yes/No*

Other connected cases
RFA-118-2015
RFA-10062-2014
RFA-10188-2014
RFA-10189-2014
RFA-10190-2014
RFA-725-2015
RFA-726-2015
RFA-924-2015
RFA-6529-2015
RFA-908-2017