2026:PHHC:052759

123(51 cases) **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

RFA-12-2018 (O&M) with
XOBJR-83-CI-2018
Date of decision:-10.04.2026

Mandi Board/Market Committee ….Appellant.

vs.

Rohtas Chaudhary and others ….Respondents.

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Akshay Jindal, Senior Advocate with
Mr. Munish Garg, Advocate,
Ms. Sakshi Tanwar, Advocate,
Mr. Vikas Mehra, Advocate
Mr. Bhag Singh, Advocate,
Mr. APS Virk, Advocate for
Mr. P.S. Thiara, Advocate
for the appellants/landowners/XOBJRs
(in their respective cases).

Mr. Sanjay Jain, Advocate,
for the cross-objector (in XOBJR-43-CI-2018 in RFA-3-2018).

Mr. Deepak Sabherwal, Advocate,
for Mandi Board/Market Committee.

Mr. Abhinash Jain, DAG, Haryana.
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HARKESH MANUJA J. (Oral)

1. Vide this common judgment, a batch of total 49 connected Regular First Appeals and 02 Cross-objections are being decided as all have arisen out of the same award. The details of the connected cases are mentioned in the footnote of this judgment.

1.2 For convenience, the facts are being taken from **RFA-12-2018**

<u>(O&M) and XOBJR-83-CI-2018.</u>

2. By way of present appeal(s), challenge has been laid to an Award dated 30.07.2015 passed by the Court of learned Additional District Judge, Ambala (for short, ***"the Reference Court"***), whereby, reference petition(s) preferred at the instance of landowner(s) invoking Section 18 of the Land Acquisition Act, 1894 (for brevity, ***"1894 Act"***), were partly allowed.

3. Brief facts of the case are that some land owned by the respondent(s)-landowner(s)/cross-objector(s), situated in the revenue estate of Village Bohawa, Tehsil & District Ambala, was acquired vide notifications dated 03.04.2007 and 06.02.2008, issued under Sections 4 & 6 respectively of the 1894 Act, for the public purpose, namely, "*for construction of New Grain Market and New Vegetable Market, Ambala Cantt."*.

Though, in the present case(s) two separate awards dated 26.03.2008 and 09.11.2010 were passed by the Land Acquisition Collector (for short, ***"the LAC"***), the market value determined therein remained identical, being @ Rs.12 lakhs per acre for the land upto 2 acres depth from G.T. Road and Rs.8 lakhs per acre in the rear i.e. after 2 acres from G.T. Road; besides granting other statutory benefits under the 1894 Act.

4. Feeling dissatisfied with the award passed by the LAC, the landowners 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 decision dated 30.07.2015 partly allowed the reference petition(s) while re-assessing the

market value of the acquired land @ Rs.12,87,500/- per acre for the land upto 2 acres depth from G.T. Road and Rs.10,87,500/- per acre for the land situated in the rear i.e. beyond 2 acres from G.T. Road besides granting other statutory benefits under the 1894 Act.

5. Aggrieved of with the aforesaid award passed by the learned Reference Court, the appellant-Mandi Board/Market Committee filed the appeal(s) as well as the respondent(s)-landowner(s) filed the appeal(s)/cross-objection(s), details whereof are mentioned in the footnote of this judgment.

CONTENTION(S):

ON BEHALF OF THE APPELLANT(S)-MANDI BOARD: -

6. Impugning the aforementioned award, learned counsel appearing on behalf of the appellant-Board submits that the learned Reference Court erred having relied upon the sale instance dated 01.02.2006 (Ex.P-1) produced by the respondent(s)-landowner(s)/cross-objector(s) as the same pertained to extremely small parcel of land. He submits that the learned Reference Court ought to have relied upon the sale instance dated 11.08.2006 (Ex.R-1) which pertained to the same revenue estate of Village Bohawa, vide which, 26 kanal 15 marlas of land was sold for a sum of Rs.8,31,000/- with base price per acre of Rs.2,48,520/-. He further contends that the LAC rightly adopted the belting system as the acquired land was not homogeneous and possessed varying locational advantages, particularly with portions abutting the G.T. Road enjoying higher commercial potential than interior land.

6.1. Alternatively, learned counsel submits that even if the sale exemplar (Ex. P-1) produced by the landowners was to be relied upon, a higher deduction ought to have been applied having regard to the smallness of area involved therein.

6.2. Learned counsel asserts that the respondent(s)-landowner(s)/ cross-objector(s) were sufficiently compensated by the LAC by assessing the market value @ Rs.12 lakh per acre for land upto 2 acres from G.T. road and Rs.8 lakhs per acre for remaining land, as such, no further enhancement was required to be granted in favour of the landowners. He thus prays that the award passed by the learned Reference Court was liable to be set aside and that of the LAC was to be restored.

ON BEHALF OF THE RESPONDENT(S)-LANDOWNER(S):-

7. Per contra, learned Senior counsel appearing on behalf of the respondent(s)-landowner(s) submits that though the learned Reference Court rightly placed reliance upon the sale instance dated 01.02.2006 (Ex.P-1) pertaining to the revenue estate of Village Bohawa, vide which, 376 square yard land was sold for a sum of Rs.25,74,468/- per acre, however, failed to grant the benefit of appreciation for the time gap between the said sale instance upto the date of notification issued under Section 4 of the 1894 Act in the case(s) in hand. He also contends that taking into account the fact that the acquired land abuts National Highway No.44 i.e. the Grand Trunk Road (hereinafter referred to as "*the G.T. Road*") leading from Amritsar to New Delhi and was surrounded by various commercial establishment, as such, the deduction made @ 50% towards smallness of area involved in the sale instance dated 01.02.2006 (Ex.P-1) was highly excessive and thus, the market value against the acquired land was required to be enhanced in favour of the respondent(s)-landowner(s)-cross-objector(s).

7.1. Learned Senior Counsel further submits that, since the entire acquired land constituted one composite block abutting the G.T. Road, uniform rate of market value ought to have been awarded in favour of all the landowners. He thus, prays that on the basis of evidence 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 Mandi Board were to be dismissed.

DISCUSSION AND REASONING: -

8. 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 respondent(s)-landowner(s)/cross-objector(s).

9. In order to decide the issue of re-assessment of market value of the acquired land, details of the sale instances relied upon by the appellant-Board as well as respondent(s)-landowner(s) in furtherance of their claims are relevant and thus, the same are reproduced hereunder:-

Sale deed relied upon by the Mandi Board is as under:-

Exhibit	**Sale deed date**	**Area**	**Village**	**Sale consideration**	**Base price per acre**
Ex.R1	11.08.2006	26K -15M	Bohawa	Rs.8,31,000/-	Rs.2,48,520/-

Sale deeds relied upon by the landowner(s) are as under:-

Exhibit	**Sale deed date**	**Area**	**Village**	**Sale consideration**	**Base price per acre**
Ex.P-1	01.02.2006	376 sq. yd.	Bohawa	2,00,000/-	Rs.25,74,468/-
Ex.P-2	24.03.2006	8 kanals 12 marlas	Mohra	32,25,000/-	Rs.30,00,000/-
Ex.P-3	27.02.2008	7 acres 7 kanals 5 marlas	Shahpur	3,71,59,376/-	Rs.47,00,000/-
Ex.P-4	27.02.2008	9 acres 9 marlas	Shahpur	4,52,81,250/-	Rs.50,00,000/-
Ex.P-5	27.02.2008	3 acres 1 kanals 19 marlas	Shahpur	1,58,94,376/-	Rs.49,00,000/-
Ex.P-6	27.02.2006	242 sq. yd.	Shahpur	2,60,000/-	Rs.51,98,160/-

Ex.P-7	27.03.2006	376 sq. yd.	Shahpur	3,38,500/-	Rs.43,56,000/-

9.1. A perusal of the above chart shows that the appellant-Board placed reliance upon the sale instance dated 11.08.2006 (Ex.R-1) pertaining to the revenue estate of Village Bohawa, vide which 26 kanal 15 marlas of land was sold for a sum of Rs.8,31,000/- with the base price per acre of Rs.2,48,520/-, however, the LAC accessed the market value @ Rs.12 lakh per acre for land upto 2 acres from G.T. Road and Rs.8 lakhs per acre for the remaining land. The said assessment of market value by the LAC was based on the report made by the Divisional Level Price Fixation Committee, which comprised of senior revenue officials of the district. Thus, the sale instance dated 11.08.2006 (Ex.R-1) wherein the sale price was approximately three to five times lower than the market value assessed by the LAC, cannot be taken to be a *bona fide* and genuine sale transaction reflecting the representative market value of the said land at the time of its acquisition and as such, need not be taken into consideration for the purpose of determination of market value in the case(s) in hand.

9.2. On the other hand, respondent(s)-landowner(s)/cross-objector(s) produced 07 sale deeds i.e. Ex.P-1 to Ex.P-7, however, the sale deeds Ex.P-2 to Ex.P-7 pertained to the revenue estate of villages Mohra and Shahpur, whereas, the acquired land in the case(s) in hand forms part of the revenue estate of Village Bohawa. The sale instance dated 01.02.2006 (Ex.P-1) alone pertained to the revenue estate of Village Bohawa. A perusal of the site plan (Ex.PW-3/A), proved on record by PW-3, namely, Surinder Mohan Mittal (Registered Architect), shows that the land parcel forming part of sale instance dated 01.02.2006 (Ex.P-1) is at a distance of 4-5 acres from the acquired land. The said fact was not controverted by the appellant-board having produced on record any site plan to the contrary, thus attaining finality, became conclusive. In such circumstances, the sale instance dated 01.02.2006 (Ex.P-1) being the best suitable exemplar, needs to be relied upon for the purpose of determination of market value in the case(s) in hand.

10. Taking into account the fact that the sale deed (Ex.P-5) is dated 01.02.2006, whereas the acquisition in the present case(s) commenced vide notification dated 03.04.2007; for the time gap of approximately 14 months, between the date of sale deed (Ex.P-5) 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). From the material available on record, it is evident that the acquired land had significant locational and potential value attached to it for the following reasons:-

(a) as per the site plan (Ex.PW-3/A), the land parcel forming part of sale instance dated 01.02.2006 (Ex.P-1) is 6 to 7 acres inside-away from the G.T. Road, whereas, the acquired land is located exactly on the G.T. Road and thus, being more advantageously located, carried more potential value as compared to the land parcel forming part of sale instance dated 01.02.2006 (Ex.P-1).

(b)(i) From the deposition of PW-1, namely, Dilbagh Singh, claimant, it has come on record that there were many commercial establishments like Dulhan Marriage Palace, Frooty Factory, Maha Kali Oil Mill, Floor Mill and a number of Godowns of different companies were already existing near the acquired land. Two schools were also situated near the acquired land and the acquired land was situated near the land of Village Shahpur, which was acquired by HUDA for establishing residential and commercial sectors prior in time.

(b (ii) From the deposition of PW-2, namely, Anil Kumar Halqa Patwari, village Bohawa, Ambala deposed that the land of village Bohawa is surrounded by land of village Shahpur on western side and land of village Mohra on the eastern side.

The appellants were neither able to produce any evidence to the contrary nor impeach the credibility of the said witness.

10.1. Therefore, an appreciation @ 15% per annum needs to be granted in favour of landowners over the base price per acre derived from the sale instance dated 01.02.2006 (Ex.P-1) for the time gap between the date of said sale instance upto the date of notification issued under Section 4 of the 1894 Act in the case(s) in hand and as such, the base price per acre in terms of the sale instance dated 01.02.2006 (Ex.P-1), comes to Rs.30,24,999.90 (rounded off to Rs. 30,25,000/-). With respect to the benefit of appreciation @ 15% for the time gap between the date of sale exemplar Ex.P-1 and the Notification under Section 4 of the 1894 Act, reliance can also be placed upon the case of ***Krishi Utpadan Mandi Samiti Sahaswan Dist. Badaun Thr. Its Secretary vs. Bipin Kumar & Another, etc,*** reported as ***2004 (2) SCC 283***. Relevant paragraph No.8 in this regard is reproduced hereunder:-

"8. However there is evidence of high potentiality. The increase of 15% given by the High Court cannot therefore be said

> *to be unreasonable. Of course, the 15% increase has to be on Rs.15.40 which is the figure shown in the sale deed. It cannot be on Rs.120 as wrongly taken by the High Court. The High Court also erred in considering only three years increase whereas in fact there is four years difference between the respondent's sale deed and the acquisition proceedings. Thus taking an increase of 60% over the price of Rs.15.40 per sq. yard the value comes to Rs.24.64 per sq. yard. We accordingly set aside the order of the Reference Court and the High Court and fix value at the rate of Rs.24.64 per sq. yard. The respondent will also to be entitled to solatium and other statutory benefits under the Land Acquisition Act, 1894."*

11. Although, the learned Reference Court went on to apply deduction of 50% towards smallness of area involved in the sale exemplar (Ex.P-1), however, keeping in view the geographical location of the acquired land, which is just abutting the G.T. Road (National Highway-44) leading from Amritsar to New Delhi and is surrounded by already existing commercial establishment, thus, possessing all necessary infrastructural civics amenities, a deduction of 30% would suffice in the present case(s). Accordingly applying the same over the base price derived from sale instance dated 01.02.2006 (Ex.P-1) followed by application of 15% appreciation per annum, the market value comes to Rs. Rs.21,17,500/- per acre.

12. Though, the LAC as well as the learned Reference Court adopted belting system, consequently, assessing two different market values for the land parcels upto 02 acres from G.T. Road *viz-a-viz* the remaining land, however, in the given facts and circumstances, it is apparent that the entire acquired land consists of one composite unit dimensionally placed 5

acres into 6 acres; abutting G.T. Road leading from Amritsar to New Delhi and surrounded by commercial establishments, as such, all the landowners are held entitled to market value at the uniform rate of Rs.21,17,500/- per acre.

13. Furthermore, in view of the fact that the acquisition in the present case related to the public purpose namely, "*for construction of New Grain Market and New Vegetable Market, Ambala Cantt.*", 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.

14. Accordingly, the market value is assessed to **Rs.21,17,500/- per acre** on the date of notification under Section 4 in case(s) in hand as per the calculation below:-

Calculation:-

Sale deed dated 01.02.2006 (Ex.P-1)	Base Price = Rs.25,74,468/- per acre
Appreciation @ 15% for 14 months	25,74,468 + 4,50,531.90 (Base Price + Interest) =30,24,999.90/- =30,25,000
Deduction of 30%	30,25,000 - 9,07,500 (Price – 30% of Price) = **21,17,500**
Net Value	**Rs. 21,17,500/-**

15. In addition, the respondent(s)-landowner(s)/cross-objector(s) shall also be entitled to all other statutory benefits and interest under the 1894 Act, especially interest on solatium.

16. In view of the aforesaid discussion, the appeal(s)/cross-objection(s) preferred at the instance of landowners are partly allowed, whereas the appeal(s) preferred at the instance of Mandi Board are dismissed.

17. 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.

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

10.04.2026 **(HARKESH MANUJA)**
sonika **JUDGE**

Whether speaking/reasoned: Yes
Whether reportable: Yes

Sr. No.	Case No.		Sr. No.	Case No.
1.	RFA-2796-2015		25.	RFA-2948-2015
2.	RFA-1-2018		26.	RFA-3-2018
3.	RFA-10-2018		27. 28.	RFA-3288-2015 WITH XOBJR-143-CI-2018
4.	RFA-11-2018		29.	RFA-3289-2015
5.	RFA-13-2018		30.	RFA-3373-2018
6.	RFA-1331-2016		31.	RFA-3706-2015
7.	RFA-14-2018		32.	RFA-4-2018
8.	RFA-15-2018		33.	RFA-4389-2016
9.	RFA-16-2018		34.	RFA-4529-2015
10.	RFA-17-2018		35.	RFA-5-2018
11.	RFA-18-2018		36.	RFA-5619-2015
12.	RFA-19-2018		37.	RFA-6-2018
13.	RFA-2-2018		38.	RFA-635-2016

14.	RFA-20-2018		39.	RFA-6803-2015
15.	RFA-266-2016		40.	RFA-6804-2015
16.	RFA-2779-2016		41.	RFA-6805-2015
17.	RFA-2797-2015		42.	RFA-7-2018
18.	RFA-2798-2015		43.	RFA-7659-2015
19.	RFA-2863-2016		44.	RFA-7660-2015
20.	RFA-2943-2015		45.	RFA-8-2018
21.	RFA-2944-2015		46.	RFA-84-2018
22.	RFA-2945-2015		47.	RFA-85-2018
23.	RFA-2946-2015		48.	RFA-86-2018
24.	RFA-2947-2015		49.	RFA-9-2018

10.04.2026 **(HARKESH MANUJA)**
sonika **JUDGE**