



118 (31 cases)

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

**Date of Decision: 16.10.2025
RFA No. 6847of 2013 (O&M)**

M/s EFY Enterprises Private LimitedAppellant
Versus
State of Haryana and anotherRespondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Shailendra Jain, Sr. Advocate with
Mr. Rahul, Advocate, (RFA-7149-2013, RFA-595-2014,
RFA-4423-2015 & RFA-3705-2016)
Mr. Rajbir Singh, Advocate for
Mr. Abhimanyu Singh, Advocate
(RFAs-1015, 6570 of 2015)
Mr. Sanjay Vij, Advocate (RFA-6847-2013)
Mr. Kunal Dawar, Advocate and
Mr. Vipul Sharma, Advocate
(RFAs-7088 to 7095 of 2013)
for the appellants/landowners.

Mr. Abhinash Jain, DAG, Haryana.

HARKESH MANUJA, J. (ORAL)

1. Vide this common order, a bunch of 31 Regular First Appeals, details of which are given in the footnote of this judgment, are being decided as all the appeals have arisen out of common acquisition/Award involving similar facts and question of law. For the sake of brevity, facts are being taken from **RFA No.6847 of 2013**.

2. By way of present appeal(s) preferred at the instance of appellants/landowners as well as Respondent State, challenge has



been laid to the decision dated 05.07.2013 passed by the learned Additional District Judge, Gurgaon-cum-Reference Court, for modification of the same.

3. Briefly stating, 24.79 acres of land situated within revenue estates of Village Narsinghpur, Tehsil and District Gurgaon (now 'Gurugram'), was acquired by the Government of Haryana vide notifications dated 25.11.2008 and 07.01.2009 issued under Sections 4 and 6, of the Land Acquisition Act, 1894, for short 'the Act' respectively, for public purpose i.e. for the development and utilization of land for 90 meters wide southern periphery road along with 30 meters wide Green belt on both sides from National Highway No.8 upto Sector 72 at Gurugram". The Land Acquisition Collector, (for short 'the LAC') vide award dated 24.11.2009 assessed the market value in respect of the acquired land @ Rs.70,00,000/- per acre for all types of land besides granting other statutory benefits under the Act.

4. Dissatisfied with the aforesaid Award, the appellants/landowners filed reference petitions invoking Section 18 of the Act, which came to be disposed of vide decision dated 05.07.2013 by the learned Reference Court while determining the market value of the acquired land at the uniform rate of Rs.1,30,68,800/- per acre besides granting all other statutory benefits under the Act.



5. Aggrieved against the decision by the learned Reference Court, the present appeals were preferred at the instance of appellants/landowners as well as respondent-State.

6. Learned Senior counsel appearing on behalf of the appellants/ landowners submits that the Reference Court went wrong while ignoring the various sale instances proved on record by the landowners as per which the highest market price of the acquired land was Rs.4.25 crores per acre. Learned senior counsel further contends that instead of determining the market value solely on the basis of the sale consideration of sale instance dated 08.10.2008 (Ex.P21), the learned Reference Court should have relied upon other sale instances Exs. P-7 to P-11 dated 09.04.2007, whereby around 105 kanal 12 marla of land in total, pertaining to the revenue estate of Village Narsinghpur, Tehsil and District Gurgaon was sold at the average price of Rs.4.25 crores per acre.

6.1 Learned Senior counsel further submits that in the present case, no cut towards development cost was required to be applied as the acquisition was carried out for the public purpose of laying down of sector roads and the respondent State was not going to suffer any cost towards development or providing civic amenities. In support, he places reliance upon the judgment of Hon'ble Apex Court - **Anjani Molu Dessai Vs. State of Goa and another** reported as **(2010) 13 SCC 710**. Paragraphs 10 and 11 thereof being relevant



are extracted hereunder:-

- “10. The Land Acquisition Collector however committed a serious error in deducting 45% from the sale price disclosed by the Sale Deed dated 30.8.1989 towards the cost of development. It is well settled that deduction for development cost has to be made only where the value of a small residential/commercial/industrial plot of land in a developed layout is made the basis for arriving at the market value of a nearly large tract of undeveloped agricultural land. Where the land sold under the relied upon sale deed and the acquired lands are both are of similar nature (as in this case where both are bharad lands) the question of making any deduction towards development cost to arrive at the cost of 'undeveloped land' would not arise. Such a deduction would have been necessary if the sale deed relied upon related to a developed residential or commercial plot. Therefore, we are of the view that the Land Acquisition Collector was not justified in making 45% deduction from the price disclosed by the Sale Deed dated 30.8.1989.*
- 11. The Sale Deed relied upon by the Land Acquisition Collector was dated 30.8.1989. The relevant date for determination of compensation is 30.7.1991. Having regard*



to the fact that acquired lands were in an urbanisable area with readily available infrastructural facilities, we are of the view that the cumulative increase of 14.5% per annum adopted by the Collector in his award, would be appropriate. By providing such increase, for two years, we would be able to arrive at the market value of the acquired land as on the date of publication of the preliminary notification. By providing such appreciation at 14.5% for two years on the base price of Rs.43.80 per sq.m. the market value as on 30.7.1991 for the acquired bharad lands would be Rs.57.42, rounded of to Rs.57.50 per sq.m.”

6.2 Learned Senior Counsel also points out that there has been a time gap of around 19 months between the date of sale exemplars Exs.P7 to P11, all dated 09.04.2007 and the date of notification under Section 4 of the Act in the present case i.e. 25.11.2008 and as such an appreciation @ 15% per annum is required to be granted in favour of the landowners over the sale price derived from such sale exemplars.

7. On the other hand, learned State counsel submits that the learned Reference Court went wrong while discarding the sale instance Ex.R-1 dated 17.07.2008 vide which 6 kanals 9 marlas of land within the revenue estate of Village Narsinghpur was sold for



Rs.48,38,500/- and the market price per acre was Rs.60 lakhs. He also contends that the land forming part of Ex.R1 was situated adjoining to the acquired land; at a distance of around 1½ acres only. He thus submits that the LAC vide its Award dated 24.11.2009 having assessed the market value @ Rs.70,00,000/- per acre; no interference was called for by the learned Reference Court granting any further enhancement and the impugned Award was, therefore, liable to be set aside.

7.1 While pointing out towards the sale instances produced on record by the landowners, learned State counsel submits that there was an abnormal increase in the sale price of land from Rs.2.30 crore to Rs.4.25 crore per acre in a short span of one month i.e. between 12.03.2007 to 17.04.2007. He thus contends that said sale transactions were entered into between the landowners and the developers for drawing benefit towards higher market value and as such did not reflect the correct market price from the perspective of a genuine buyer and, therefore, cannot be relied upon. In support, he places reliance upon a decision made by this Court in **RFA Nos. 3710 and 4335 of 2018**, titled as ***Hari Parkash and others Vs. State of Haryana*** and others, decided on 22.11.2019. The relevant portion therefrom is extracted hereunder:-

“The principle of 50% cut is to be applied on the sale deed which is in favour of the building keeping in view the keenness of the builders to acquire property



in developing area.”

7.2 Learned State counsel further submits that be that as it may in the present case, development cut of at least 50% was required to be applied over the sale price derived from the sale deeds produced on record by the appellants/ landowners. In support he places reliance upon the judgment of the Hon’ble Apex Court in **Ram Kanwar and others Vs. State of Haryana and another** reported as **2015 (1) RCR (Civil) 234**. Para 19 thereof, as relied upon by learned State counsel, is extracted hereunder:-

“19. In the instant case, though the sale deeds were for part of lands which were acquired by the acquiring authority under the notification, the said sale deeds indicated an abnormal increase of more than 100% in less than four months. It is not a far reaching implication of the said land being in the vicinity of area under development or already developed, which attributed additional locational advantages leading to escalation of the sale price at which a buyer would purchase the lands. Another fact noticed by the High Court is that the buyers for all these sale transactions had vested interest in the land adjoining or around the properties in such transaction.”

No other argument has been addressed.

8. I have heard learned counsel for the parties and gone through the paper book.



9. Before proceeding further, it would be relevant to examine the chart of sale deeds which were proved on record by the appellants/ landowners before the learned Reference Court and noted in paragraph 16 of the impugned Award. The same are extracted hereunder:-

Sr. No.	Exh.	Vasika No.	Date	Land Area		Total sale consideration	Rate per acre	Revenue estate
				K	M			
1.	P4/P13	10528	17.08.2006	3	6	94,87,500	2,30,00,000	Narsinghpur
2.	P5/P14	10529	17.08.2006	18	1.5	5,19,65,625	2,30,00,000	Narsinghpur
3.	P6/P15	25732	12.03.2009	19	15.5	6,26,02,785	2,53,26,032	Narsinghpur
4.	P7/P16	632	09.04.2007	4	11	2,41,71,875	4,25,00,000	Narsinghpur
5.	P8/P17	623	09.04.2007	12	4	6,48,12,500	4,25,00,000	Narsinghpur
6.	P9/P18	630	09.04.2007	3	17	2,04,53,125	4,25,00,000	Narsinghpur
7.	P10/P8A/P19	621	09.04.2007	24	0	12,75,00,000	4,25,00,000	Narsinghpur
8.	P11/P20	629	09.04.2007	61	0	32,40,62,500	4,25,00,000	Narsinghpur
9.	P21	15890	08.10.2008	1	10	40,84,000	2,17,81,333	Narsinghpur
10.	P22	2375	14.05.2009	0	16	25,50,000	2,55,00,000	Narsinghpur
11.	P6A	9664	02.08.2006	19	06	6,04,56,250	2,50,59,585	Narsinghpur
12.	P7A	10818	22.08.2006	28	3.5	8,10,00,312	2,29,99,201	Narsinghpur

10. For the assistance of this Court, learned State counsel, today, has referred to an *aks shajra* of Village Narsinghpur, Tehsil and District Gurugram, duly prepared by the concerned revenue authorities depicting the exact location of the land forming part of the sale deeds produced by the appellants/ landowners and those of the respondent State in comparison to the land under acquisition. The



said *aks shajra* been counter-signed by the concerned revenue officials as well as the learned State counsel with no objections by the Learned counsel for the appellants-landowners, and thus, is taken on record as Mark 'X'.

11. A perusal of the *aks shajra*, i.e. Mark 'X' shows that the sale instance Ex.P21 which was relied upon by the learned Reference Court for the purpose of determination of market value is situated far from the land under acquisition. In fact, the land forming part of sale deed Ex.P21 is on towards the other side of the National Highway. Further, the land forming part of sale instance Ex.R1 dated 17.07.2008 as per the *aksshajra*(Mark 'X') is situated around 1 acre away from the land under present acquisition. However, on the other hand, a perusal of the *aksshajra*(Mark 'X') and the sale instances Exs. P4 to P6 and Exs.P8 to P11 show that these sale transactions partially or completely form part of the acquired land itself. In such circumstances, relying upon the law laid down by the Hon'ble Apex Court in the case of **Hormal v. State of Haryana**, reported as **2024 SCC Online SC 2990**, reliance needs to be placed upon the highest of the sale exemplars i.e. Exs.P8 to P11, which are all dated 09.04.2007 being prior to the notification under section 4 of the Act in the present case. Moreover, more than 100 kanals of land situated within the same revenue estate of Village Narsinghpur had been sold at an average price of Rs.4.25 crores per acre. The relevant paras 27



to 29 from **Horrnal'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:*

....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.

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.*



29. *In these extenuating circumstances, there exists significant disparity among the sale exemplars presently under consideration. Amongst these sale exemplars, being Ex. P2-P8 and Ex. P10, the highest sale instance values the land at Rupees 1,81,33,867 per acre, whereas the lowest values it at Rupees 16,94,000 per acre. Given this wide range and in light of the judicial precedents cited above, we are of the opinion that we should rely upon the highest sale exemplar, which is Ex. P5, rather than solely depending upon an average of the multiple sale deeds produced before us.....”*

12. Considering the aforesaid principle of law which necessitated taking into account the highest sale exemplar, the sale instance dated 17.07.2008 (Ex.P1) which has been relied upon by the respondent State needs to be ignored. A perusal of record shows that admittedly, the sale instances Exs. P8 to P11 which partially formed part of the acquired land, the transactions were entered between the landowners and the private builders. However, no evidence whatsoever has been led by the respondent State to create any doubt about the genuineness or bona fide nature of the said sale transactions. Thus, in the absence of there being any evidence on record to establish that such sale transactions were got executed by the landowners for the purpose of drawing any kind of uncalled-for benefit towards getting higher market value, the same cannot be discarded.



13. Furthermore, mere fact that the land was purchased by the private developers vide sale transactions Exs.P8 to P11 and there was an exponential increase towards sale price from Rs.2,53,26,032/- to Rs.4,25,00,000/- between 12.03.2007 to 09.04.2007, cannot be any ground to ignore such sale instances especially when there was no evidence available on record to show that these sale deeds were result of any compulsion on the part of the developer. In case of compulsory acquisition, the landowners are entitled to get the benefit of highest of the sale price in the area which a willing purchaser is ready to part with. In the given facts, once the multiple sale transactions have been carried out between the landowners and the builders, this itself shows that the land under acquisition was having great commercial and potential value even much prior to it's acquisition.

14. In the light of the aforesaid discussion, the sale deeds Exs. P8 to P11 need to be taken into account as the best sale exemplars vide which the market value reflected per acre was Rs.4.25 crore as on 09.04.2007. In the humble opinion of this Court, since the land forming part of the sale instances Ex.P8 to P11 partially fall within the acquired land and a large chunk of more than 100 kanals of land was sold at an average price of Rs.4.25 crores per acre forming part of the same revenue estate of Village Narsinghpur, no cut needs to be applied towards the size of the land parcels



forming part of such sale transactions in comparison to the land under acquisition while determining the market value of the acquired land.

DISCUSSION REGARDING DEVELOPMENT CUT:

15. Under normal circumstances, depending upon the facts, in case of acquisition, the market value is to be re-determined/ re-assessed based on the sale transactions relied upon by the landowners and some appropriate cut towards development cost needs to be applied on the sale price of such sale deeds. Primarily, the cut towards development cost is on two counts, firstly, towards the loss of land incurred by the development authority for providing civic amenities like roads, parks, green belts and community buildings etc.; and secondly towards the cost incurred for providing such infrastructural civic amenities. However, in the given facts, the acquisition has been carried out for the public purpose, i.e. “for the development and utilization of land for 90 meters wide southern periphery road along with 30 meters wide Green belt on both sides from National Highway No.8 upto Sector 72 at Gurugram”. In such circumstances, the respondent State is practicality neither going to suffer any kind of loss of land nor incur any expenditure towards providing of infrastructural civic amenities and thus, it would be appropriate in case the market value is assessed while relying upon



the sale price derived from the sale instances Ex.P8 to Ex.P11 @ Rs.4.25 crores per acre after applying cut of 10% towards providing of any green belt etc. along side the sector roads.

16. Considering the fact that all the sale exemplars Ex.P8 to P11 are dated 09.04.2007 and there happens to be a time gap of around 19 months between the sale exemplars and the date of notification under Section 4 of the Act in the present case, as such appreciation @ 12% per annum needs to be granted in favour of the landowners while considering the fact that the land under acquisition forms part of the revenue estate of Village Narsinghpur situated within the satellite city like Gurugram which abuts the National Capital (New Delhi). As such the sale price per acre as on the date of notification under Section 4 of the Act in the present case, comes to Rs.4,25,00,000/- [+19% (appreciation) -10%(development cut)] i.e. $Rs.4,25,00,000 + (80,75,000) - (50,57,500) = Rs.4,55,17,500,000/-$ along with all statutory benefits as applicable under the Act.

17. Accordingly, in view of the discussion made herein above, all the appeals preferred at the instance of appellants-landowners are hereby disposed of whereas the appeals filed at the instance of respondent- State are hereby dismissed.

18. Further, 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.

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

16.10.2025
sanjay

(HARKESH MANUJA)
JUDGE

Whether speaking/reasoned? Yes/No
Whether Reportable? Yes/No

Sr. No.	Case No.
1.	RFA-7088-2013(O&M)
2.	RFA-7089-2013(O&M)
3.	RFA-7090-2013(O&M)
4.	RFA-7091-2013(O&M)
5.	RFA-7092-2013(O&M)
6.	RFA-7093-2013(O&M)
7.	RFA-7094-2013(O&M)
8.	RFA-7095-2013(O&M)
9.	RFA-7139-2013(O&M)
10.	RFA-7140-2013(O&M)
11.	RFA-7141-2013(O&M)
12.	RFA-7142-2013(O&M)
13.	RFA-7143-2013(O&M)
14.	RFA-7144-2013(O&M)
15.	RFA-7145-2013(O&M)
16.	RFA-7146-2013(O&M)
17.	RFA-7147-2013(O&M)
18.	RFA-7148-2013(O&M)
19.	RFA-7149-2013(O&M)
20.	RFA-7150-2013(O&M)
21.	RFA-7151-2013(O&M)
22.	RFA-7152-2013(O&M)
23.	RFA-7153-2013(O&M)
24.	RFA-595-2014(O&M)
25.	RFA-1015-2017(O&M)
26.	RFA-5034-2015(O&M)
27.	RFA-6570-2015(O&M)
28.	RFA-4423-2015(O&M)

RFA-6847-2013 (O&M) & 30 other appeals

[16]

2025.PHHC.146345



29.	RFA-3705-2015(O&M)
30.	RFA-1950-2017(O&M)

16.10.2025
sanjay

(HARKESH MANUJA)
JUDGE