



118 (57 cases)

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

**Date of Decision: 05.12.2025
RFA No. 2662 of 2011 (O&M)**

Sarla Sharma

.....Appellant

Versus

State of Haryana and anr.

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. A.S. Virk, Advocate
Mr. Vivek Aggarwal, Advocate
Mr. S.S. Momi, Advocate
Mr. Rohit Singh, Advocate
Mr. R.S. Longia, Advocate
for the landowners.

Mr. Abhinash Jain, DAG, Haryana.

Mr. Pritam Singh Saini, Advocate and
Mr. Sharad Aggarwal, Advocate
for respondent No.2-Market Committee.

HARKESH MANUJA, J. (ORAL)

Vide this common order, a bunch of 57 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 common facts and question of law. For the sake of brevity, facts are being taken from **RFA No.2662-2011**.

2. By way of filing the present appeal(s) challenge has been laid to the decision dated 24.12.2010 passed by the learned Additional District Judge, Kurukshetra-cum-Reference Court.

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3. Briefly stating, 138K-12M of land, situated within the revenue estate of Village Jhansa, was acquired by the Government of Haryana vide notifications dated 05.03.2008 and 06.11.2008, issued under Sections 4 and 6 of the Land Acquisition Act, 1894, for short 'the Act' respectively, for public purpose i.e. for extension of Grain Market in Sub Yard at Jhansa by the Market Committee, Ismailabad. The Land Acquisition Collector (for short 'the LAC') vide award 01.06.2009 assessed market value in respect of the acquired land @ Rs.8,00,000/- per acre along with solatium @ 30% with additional amount @ 12% per annum from the date of publication under Section 4 of the Act, besides granting all 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 by the learned Reference Court while determining the market value of the acquired land @ Rs.1,000/- per sq. yard, besides all other statutory benefits under the Act along with 30% solatium with additional amount @ 12% per annum.

5. Aggrieved of the Award passed by the learned Reference Court, the present appeals were preferred at the instance of landowners as well as State.

6. Impugning the aforementioned award, learned counsel for the appellants / landowners submits that the learned Reference Court while drawing reliance upon the sale instances Exs.A2 to A4 and A10

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which were all relating to April 2006 and were for the sale consideration of Rs.48,40,000/- per acre, awarded market value in favour of the appellants/ landowners @ Rs.1,000/- per marla (Rs.48,00,000/- per acre). However, it has been submitted that the learned Reference Court failed to grant the benefit of appreciation for the time gap between the date of such sale instance (April 2006) till the date of notification under Section 4 in the present case (05.03.2008) over the base price per acre. It has thus been emphasized that the assessment of market value should have been awarded by granting annual appreciation @ 15% per annum for the time gap w.e.f. April 2006 till 05.03.2008.

6.1 Learned counsel for the appellants/landowners also points out that initially the land under acquisition was notified under Section 4 of the Act on 27.11.2006, however, the acquisition proceedings were not concluded and thereafter on 05.03.2008 again this very land came to be notified under Section 4 of the Act followed by notification under Section 6 thereof issued on 06.11.2008 and passing of the award dated 01.06.2009 and as such suitable damages are required to be awarded in favour of the appellants/ landowners w.e.f. 27.11.2006 to 05.03.2008. It has thus been submitted that the award passed by the learned Reference Court needs to be modified accordingly. It has also been submitted that the valuation done by the LAC for the construction existing over the acquired land was also required to be enhanced based on the



evidence produced on record.

7. On the other hand, learned counsel appearing on behalf of respondent No.2-Market Committee submits that the market value assessed by the learned Reference Court @ Rs.1,000/- per sq. yards was based on the sale instance pertaining to small parcel of land and as such suitable deduction was required to be applied on the base price derived from the sale instance Exs.A2 to A4 & A10 and accordingly, the market value as required to be re-assessed.

It has also been submitted that an appropriate deduction towards development cost was also required to be applied over the base price derived from the abovementioned sale instances as by virtue of acquisition of the land in question for the public purpose, namely, extension of Grain Market in Sub Yard at Jhansa by the Market Committee, Ismailabad, the beneficiaries were to be granted all necessary amenities for enjoyment of the allotment made in their favour.

7.1. Further, it has also been submitted that since the sale instances produced by the landowners pertained to small area of land as compared to the large extent of acquired land, a cut of 25% was also required to be applied over the base price derived from the above-mentioned sale instances on account of smallness of land thereunder. In view of the above, it has been prayed that the impugned award passed by the learned Reference Court was liable to be set aside and that of the LAC was required to be restored.



8. I have heard learned counsel of the parties and gone through the paper-book as well as records of the case.

9. In the present case, from the evidence available on record, it has been established that the land under acquisition was located abutting Jhansa-Kurukshetra road, besides being in the close vicinity of numerous shops as well as small commercial/ industrial units.

9.1 Further, based on the evidence available on record, a positive finding of fact has been recorded by the learned Reference Court with respect to the commercial as well as industrial potential attached to the land under acquisition. Relevant paragraph No.20 from the Reference Court Award to the aforesaid extent is extracted hereunder:-

“20. The acquired land was very valuable piece of land and was having great potential to be used for commercial as well as industrial purposes and in order to determine the market value of the acquired land, the following facts are to be noticed:-

(a) That the land owned by the petitioners is surrounded on the Eastern side, remaining acquired land, on the Western side, Old grain Market, on the Northern side, main Jhansa-Kurukshetra Road and on the Southern side, Abadi of Jhansa town. The entire land owned by the petitioners was having great potential to be used for commercial as well as industrial purposes. Ex.A8, site plan, which has not been disputed by the other side, clearly depicts the existing position of the land at the spot at the time of its acquisition. In this site plan, it is specifically shown that on the western side of the acquired land



owned by the petitioners, there is old Grain Market, on the Western side, there is Cold Storage, Petrol Pump, Godowns and the houses of Jhansa Town, on the Northern side, there is main road leading from Jhansa to Kurukshetra and across the road, just in front of the acquired land, there are many Show-Rooms, Shops, Hotels, Poultry Farm and Public School. On the Southern side, Abadi of Jhansa Town is there. This side plan has not been contradicted or challenged by the respondents. On the other hand, the respondents have not produced any site plan showing the existing state of affairs at the time of acquisition of the land. In the acquired land also, many shops were already in existence at the time of its notification. One factory and many shops were also in existence at the time of acquisition. From the site plan and from the other evidence adduced on the file, it is clearly established that the acquired land is surrounded by the main Kurukshetra-Jhansa Road on one side and on the other side also, there is road and across the road, there is Abadi of Jhansa Town. The acquired land being situated adjoining the Jhansa Town and the Old Anaj Mandi was having great potential and its value be assessed considering as is well as only can potential to be used for commercial industrial purposes and not on the basis of its being agricultural land. The LAC has totally ignored the potential which the acquired land was having and which is clearly depicted in the site plan Ex.A8 and has assessed the market value of the land simply on the basis of notification of the Haryana Government, vide which lowest price has been mentioned as Rs.8 Lakhs per acre.”

9.2 No material worth taking contrary value has been pointed



out by the learned counsel representing the respondents. Moreover, the factum of acquired land been surrounded by various shops which even formed part of the present acquisition has been admitted by the own witness of respondents i.e. RW1 Diler Singh, Secretary, MC, Ismailabad. Relevant part of his cross-examination in this regard is extracted hereunder:-

“Shop No. 1 belongs to Aggarwal Trading Company, Shop No. 2 belongs to M/s Sadhu Ram Som Parkash, Shops no. 3 and 4 belongs to Shri Subhash Chand s/o Thakur Dass, Sanjiv Kumar S/o Thakur Dass, Ankit Kumar S/o Sh. Pardeep Kumar. Shop No. 5 belongs to Jai Kumar, Pawan Kumar ana Ravinder Kumar son s/o Shri Shadi Ram, Shop No. 6 belong to Shri Ram Nath, Pawan Kumar, Ashok Kumar, Suresh Kumar: and Naresh Kumar all Sons of Sai Dass. Shop No. 7 belongs to Shri Des Raj S/o Sh. Kundan Lal under the name and style of Bansal Trading Company. Shop No.8 belongs to Shri Pawan Kumar and Naresh Kumar Sons of Shri Hem Raj under the name and style India Trading Company. Shop No. 9 belongs to Smt. Veena Rani Wife of shri Pawan Kumar, Sh. Naresh Kumar son of Sh. Hem Raj under the name and style of M/S Gautam Trading Company. Shop No. 10 belongs to Pankaj Kumar S/o Sh. Purshautam Dass under the name and style M/S Jai Trading Company, Shop No. 11 belongs to Shri Dinesh Kumar Son of Sh. Khem Chand. Shop No. 1 was under occupation of Aggarwal Trading Company, Shop No. 2 was under occupation of M/S Sadhu Ram Som Parkash trading Company, Shop No 5 was under occupation of R.K.Trading Company. In shop No. 1,2,5,7,8,9,10 out of above named 11 shops which have been acquired alongwith land and building, were under the business of commission agency, Anaj Mandi Jhansa. In Shop No. 8 M/S Pooja Trading Company, in shop no. 9 M/S Gautam Trading Company, in shop no. 10 M/S Jai Trading Company, all commission agency shops were doing business prior to taking of possession from them under the present acquisition proceedings.”



The aforesaid witness even admitted that the owners of the shops, acquired under present proceedings were even doing their business in those shops. Thus, in view of the aforesaid, it was more than established that the land under acquisition being situated on the Jhansa-Kurukshetra road abutting the already developed Grain Market and also surrounded by shops as well as commercial establishments was having great locational and potential advantage attached to it.

10. As per the records, for the purposes of assessment of market value, the appellants/ landowners produced on record the following sale instances:-

Exhibit Number	Total Land	Sale Consideration	Date of Sale	Value in Acres
A-1	66 K 9 M	Rs.1,49,12,50/-	30.05.2008	Rs.1,79,669/-
A-2	3 M 3 Sarsai (100 Sq Yard)	Rs.1,00,000/-	21.04.2006	Rs.48,40,000/-
A-3	3 M 3 Sarsai (100 Sq Yard)	Rs.1,00,000/-	04.04.2006	Rs.48,40,000/-
A-4	8 M	Rs.2,40,000/-	04.04.2006	Rs.48,40,000/-
A-5	2 M 2 Sarsai (66.66 Sq Yard)	Rs.70,000/-	21.04.2006	Rs.50,82,508/-
A-10	3 M 3 Sarsai (100 Sq Yard)	Rs.1,00,000/-	04.04.2006	Rs.48,40,000/-
A-12	3 M	Rs.15000/-	08.03.1990	Rs. 8,00,000/-
A-13	3 M	Rs.15000/-	08.03.1990	Rs. 8,00,000/-
A-16	3M	Rs.1,00,000/-	18.04.2006	Rs.40,00,000/-
A-19	100 Sq Yard	Rs.26000/-	27.05.1994	Rs.12,58,400/-
A-20	3 M 3 Sarsai (100 Sq Yard)	Rs.30,000/-	13.01.1999	Rs. 14,52,000/-
A-22	3 M 6 Sarsai (110 Sq Yard)	Rs.68,000/-	10.05.1999	Rs. 29,92,000/-



For the purpose of assessment, in order to compare the location of the land forming part of the aforementioned sale deeds in comparison to the land under acquisition and also the land parcels pertaining to the sale deeds produced by respondents, a plan/ *aks shajra* has been produced by the respondents before this Court, which has been prepared by the revenue officials of the Market Committee, Ismailabad; duly signed by learned counsel representing respondent No.2 and the same is thus taken on record as Mark 'X'. A perusal of the aforesaid site plan (Mark 'X') shows that the land forming part of the sale deed Ex.A4 dated 04.04.2006, pertaining to rect. No.128, Qilla No. 5/1 and 52 shown in pink colour is just abutting to the land under acquisition which has been depicted in green colour.

11. On the other hand, the sale instances produced by respondents which have been shown in Orange colour are at far away distance from the acquired land and therefore, cannot be considered as comparable sale exemplars. In such circumstances, the sale deed Ex. A4 dated 04.04.2006 which pertains to 240 sq. yards of land with base price of Rs.48.40 lakhs per acre and is of same nature, potential and location as that of the acquisition thus, needs to be relied upon for the purpose of determination of market value in the present case whereas the sale instances produced by the respondents need to be discarded being of small parcel located at far away distance from the acquired land.



12. In addition, it may also be noticed here that there is a time gap of around 23 months between the sale deed Ex.A4 dated 04.04.2006 and the notification under Section 4 of the Act in the case in hand being 05.03.2008, as such, considering the fact that the acquired land was already being utilized for commercial purposes; number of shops and commercial establishments already existing thereupon prior to its acquisition and the same being located on the Jhansa-Kurukshetra road, abutting the already developed Grain Market, Jhansa; an appreciation @ 15% per annum at compound rate, needs to be granted over the base price per acre, derived from the sale deed Ex.P4. In support, a decision of Hon'ble Supreme Court in case ***“Krishi Utpadan Mandi Samiti Sahaswan Distt. Badaun through its Secretary Versus Bipin Kumar & Anr.”***, reported as **2004 (1) SCC 283**, needs to be relied upon, whereby an increase of 15% per annum was approved by the Hon'ble Apex Court. Relevant para-8 of the said decision is extracted 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.”

13. Considering the fact that number of shops and commercial establishments were admittedly existing over the acquired land; wherein the owners were running their business and earning livelihood being located near the already developed Grain Market, Jhansa; all basic necessary infrastructural amenities were already existing in the vicinity. Moreover, from the evidence available on record, it is established that all the sale transactions which have been produced on record pertained to small parcels which itself leads to an irresistible conclusion that the area under acquisition and also its close vicinity, was having potential for residential and commercial purposes. In such exceptional circumstances, in the case in hand, it would not be justified to apply any deduction either on account of smallness of area involved in the sale deed Ex.A4 dated 04.04.2006 or even against any development cost.

13.1. It may also be noticed here that the acquisition in the present case has been made for public purpose, namely, extension of Grain Market at Jhansa, and as such neither the respondent-Market Committee, Jhansa suffered any loss towards optimum utilization of acquired land; nor even they were to incur much infrastructural cost for providing amenities to its beneficiaries in the shape of green belts



or community buildings etc. Further, the fact that the land under acquisition is situated on the Jhansa-Kurukshetra road, abutting the already developed Grain Market and also surrounded by shops as well as commercial establishments, this Court is not inclined to apply deduction on account of development cost, in wake of law laid down in the latest case by the Hon'ble Apex Court in **Krishan Kumar v. State of Haryana** reported as **2025(3) RCR(Civil) 139**. The relevant portion thereof is extracted hereunder:-

“39. *Lastly, we ought to also analyse the deductions made on the determined compensation, for the purposes of development-colloquially known as a 'development cut'. It goes without saying that to determine the market value of a large tract of undeveloped agricultural land (with potential for development) from a sale exemplar of a smaller plot of land, deductions usually range from 20 to 75%.Sajan v. State Of Maharashtra and ors., 2020 INSC 302; Lal Chand v. Union of India, (2009) 15 SCC 769 That is not to say, however, that such cuts are mandatory in all factual scenarios. The rationale for applying such deductions is that smaller, developed plots typically command higher prices, whereas a larger tract of undeveloped land necessitates significant allocation for roads, parks, and essential services. These sale exemplars can thus be relied upon only after making appropriate deductions. Chimanlal Hargovinddas v. Spl. LAO, Poona & anr., (1988) 3 SCC 751.....*

54. *Finally, the HSIIDC has also pressed in aid the application of a development cut/deduction on the inner belt, which the High Court refused to apply. However, we are unable to concur with these*



submissions, and instead see eye-to-eye with the view taken by the High Court in the case of Kukrola. The inner belt-comprising lands abutting NH-8 up to a depth of 5 acres-already commands a premium due to its superior locational advantage and inherent development potential. The sale exemplars for this category reflect a market value that fully incorporates these advantages. Typically, a development cut is applied to account for the deficiencies or the cost of further development in undeveloped land. However, in this instance, the inner belt lands are broadly development-ready due to their proximity to major infrastructure, which naturally elevates their market value. As such, applying a development cut would unjustifiably reduce the compensation, failing to reflect the true, enhanced value of these lands. Consequently, we find no justification for imposing any development cut on the inner belt.”

14. In such circumstances, the contention raised on behalf of respondent Market Committee to such effect is rejected for applying deduction towards smallness of area involved in the sale deed Ex.A4 and also towards development cost. However, since no material evidence has been pointed out from the side of the appellants/landowners towards providing any enhancement of compensation on account of construction existing over the acquired land, the claim in this regard is rejected.

15. Accordingly, in the wake of discussion made hereinabove, while placing reliance upon the sale price per acre, derived from the sale exemplar Ex.A4 dated 04.04.2006 i.e.



Rs.48,40,000/- per acre and upon application of appreciation @ 15% per annum (compounded), the market value of the acquired land on the date of notification under Section 4 of the Act is assessed @ Rs.48,40,000/-+15% (for 23 months) = Rs.63,31,325/- per acre along with all statutory benefits and interest thereupon, including 30% solatium including interest on solatium with all other benefits as provided under the Act (Upto-date).

16. Disposed of on the above terms.

17. 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.

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

05.12.2025
sanjay

(HARKESH MANUJA)
JUDGE

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

Sr. No.	Case No.
1.	RFA-2663-2011 (O&M)
2.	RFA-2664-2011 (O&M)
3.	RFA-2665-2011 (O&M)
4.	RFA-2666-2011 (O&M)
5.	RFA-2667-2011 (O&M)
6.	RFA-2668-2011 (O&M)
7.	RFA-2669-2011 (O&M)
8.	RFA-2690-2011 (O&M)



9.	RFA-2691-2011 (O&M)
10.	RFA-2692-2011 (O&M)
11.	RFA-2965-2011 (O&M)
12.	RFA-2971-2011 (O&M)
13.	RFA-2972-2011 (O&M)
14.	RFA-2973-2011 (O&M)
15.	RFA-2974-2011 (O&M)
16.	RFA-2975-2011 (O&M)
17.	RFA-2976-2011 (O&M)
18.	RFA-2977-2011 (O&M)
19.	RFA-2978-2011 (O&M)
20.	RFA-2979-2011 (O&M)
21.	RFA-2980-2011 (O&M)
22.	RFA-2981-2011 (O&M)
23.	RFA-2982-2011 (O&M)
24.	RFA-2983-2011 (O&M)
25.	RFA-2984-2011 (O&M)
26.	RFA-2985-2011 (O&M)
27.	RFA-2986-2011 (O&M)
28.	RFA-2987-2011 (O&M)
29.	RFA-2988-2011 (O&M)
30.	RFA-2989-2011 (O&M)
31.	RFA-2990-2011 (O&M)
32.	RFA-2991-2011 (O&M)
33.	RFA-2992-2011 (O&M)
34.	RFA-2993-2011 (O&M)
35.	RFA-2994-2011 (O&M)
36.	RFA-2995-2011 (O&M)
37.	RFA-2996-2011 (O&M)
38.	RFA-2997-2011 (O&M)
39.	RFA-2998-2011 (O&M)
40.	RFA-2999-2011 (O&M)
41.	RFA-3904-2011 (O&M)
42.	RFA-3905-2011 (O&M)
43.	RFA-3906-2011 (O&M)
44.	RFA-3907-2011 (O&M)
45.	RFA-3908-2011 (O&M)
46.	RFA-3909-2011 (O&M)
47.	RFA-3910-2011 (O&M)
48.	RFA-3911-2011 (O&M)

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49.	RFA-3912-2011 (O&M)
50.	RFA-3913-2011 (O&M)
51.	RFA-3914-2011 (O&M)
52.	RFA-4358-2011 (O&M)
53.	RFA-6908-2011 (O&M)
54.	RFA-7663-2011 (O&M)
55.	RFA-3560-2015 (O&M)
56.	RFA-655-2018 (O&M)

05.12.2025
sanjay

(HARKESH MANUJA)
JUDGE