

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA**RFA No.825 of 2012 a/w RFAs
No.826 to 838 & 929 to 951/ 2012****Reserved on : 20.12.2025****Date of Decision : 07.01.2026**

1. RFA No.825 of 2012General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Kishan Chand and another

...Respondents

2. RFA No.826 of 2012General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Prema Devi and another

...Respondents

3. RFA No.827 of 2012General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Jai Singh and others

...Respondents

4. RFA No.828 of 2012General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Tharwan Lal and another

...Respondents

5. RFA No.829 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Dinesh Kumar and another

...Respondents

6. RFA No.830 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Mohar Singh and another

...Respondents

7. RFA No.831 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Raghuvir Singh and another

...Respondents

8. RFA No.832 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Dola Ram (deceased) through LR Bimla Devi and another

...Respondents

9. RFA No.833 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Jai Singh and another

...Respondents

10. RFA No.834 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Dola Ram (deceased) through LR and others

...Respondents

11. RFA No.835 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Teja Singh and others

...Respondents

12. RFA No.836 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Mohar Singh and another

...Respondents

13. RFA No.837 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Kishan Chand and others

...Respondents

14. RFA No.838 of 2012

General Manager Parbati Hydro Electric
Project, NHPC & another

....Appellants

Versus

Balasu Devi and another

...Respondents

15. RFA No.948 of 2012

Prema Devi

....Appellant

Versus

Collector Land Acquisition, NHPC and others

...Respondents

16. RFA No.949 of 2012

Raghuvir Singh

....Appellant

Versus

Collector Land Acquisition, NHPC and others

...Respondents

17. RFA No.950 of 2012

Dola Ram (deceased) through his sold
legal representative Smt. Bimla Devi

....Appellant

Versus

Collector Land Acquisition, NHPC and others

...Respondents

18. RFA No.951 of 2012

Jai Singh

....Appellant

Versus

Collector Land Acquisition, NHPC and others

...Respondents

Coram

Hon'ble Mr. Justice Sushil Kukreja, Judge

Whether approved for reporting?¹

For the appellant(s) : Ms. Shreya Chauhan, Advocate, for the
appellant(s)/ beneficiary in RFAs
No.825 to 838/2012 and for the
respondent(s)-PHEP in RFAs No.948 to
951/2012.

1. Whether reporters of Local Papers may be allowed to see the judgment?

Mr. Sunil Mohan Goel, Senior Advocate with Mr. Abhijeet Singh Chauhan & Mr.Paras Dhaulta, Advocates, for the appellant(s)/claimant(s) in RFAs No.948 to 951/2012 and for the private respondent(s) in RFAs No.825 to 838/2012.

For the respondents : Mr. Manoj Chauhan, Mr. Amandeep Singh Sharma, Additional Advocates General with Ms. Archana Negi, Deputy Advocate General, for the respondent(s)-State in all the appeals.

Sushil Kukreja, Judge

Since all these appeals are the off-shoots of common award relating to land situated in *Phati Manyashi, Dushar, Kothi Banogi*, Sub-Tehsil Sainj, District Kullu, HP, which was acquired through notification under Section 4 of the Land Acquisition Act (for short “the Act”), for construction of Sainj bye-pass road by Parvati Hydro Electric Project (for short, ‘PHEP’), Stage-III in Sainj Valley, hence, they are taken up together and being disposed of by a common judgment.

2. By way of the instant appeals filed under Section 54 of the Land Acquisition Act, 1894 (for short, ‘the Act’), the beneficiary-PHEP as also the claimants have assailed the common award dated 30.04.2012, passed by the learned Additional District Judge, Fast Track Court, Kullu, H.P. (for short ‘the Reference Court’).

3. The facts, in brief, are that a notification under Section 4 of the Land Acquisition Act, dated 25.08.2007 was issued for acquiring the land of the claimants and other persons, situated in Phati Manyashi, Dushar, Kothi Banogi, Sub-Tehsil Sainj, District Kullu, HP for construction of Sainj bye-pass road by Parbati Hydro Electric Project (PHEP), Stage-III in Sainj Valley, which was published in Rajpatra on 05.09.2007 and in *Punjab Kesri* and the Tribune on 26.09.2007 and 06.11.2007 respectively. *Roznamcha* regarding publicity notification under Sections 6 and 7 was published in *Danik Jagran* and Hindustan Times on 14.02.2008 and 11.02.2008. After detailed inquiry, the Land Acquisition Collector had assessed the market value of the land taking into consideration the rates prevalent in Manyashi Phati, being the highest rates. Different types of rates were awarded for different types of land and 10% enhancement was given to the land located adjacent to the road.

4. The-claimants-petitioners feeling aggrieved and dissatisfied with the said award, preferred reference petitions under Section 18 of the Act with the prayer that the matters be referred to the learned District Judge, Kullu, HP for enhancement of compensation.

5. The learned Reference Court, vide common award dated 30.04.2012, partly allowed the reference petitions with costs and the claimants-petitioners were held entitled to enhanced compensation at the rate of Rs.31,800/- per *biswa* in respect of the acquired land for all categories of land irrespective of its classification. In addition, the petitioners were also held entitled to solatium, additional compensation, interest etc. Claimants, namely, Kishan Lal, Tharwan Lal and Mohar Singh were also held entitled to compensation of Rs.13,42,000/-, Rs.13,23,000/- and Rs.31,62,000/-, respectively, for their houses. However, the reference petitions of claimants, namely, Dola Ram, Raghubir Singh, Jai Singh and Prema Devi were dismissed on the ground that they had already been compensated adequately for their houses.

6. I have heard Ms. Shreya Chauhan, learned counsel for the appellant(s)/beneficiary, Mr. Sunil Mohan Goel, learned Senior Counsel for the appellant(s)/claimants as well as Mr. Manoj Chauhan, learned Additional Advocate General, for the respondent-State and have also gone through the records.

7. Ms. Shreya Chauhan, learned counsel for the appellant(s)/beneficiary contended that the learned Reference Court had not applied the legal provisions applicable in the case in

their proper perspective as no enhanced compensation was payable to the claimants. She also contended that the area of the acquired land was of different quality and the learned Reference Court erred in determining the uniform market value of the acquired land irrespective of the category. She also submitted that before the formal execution of Parvati Hydro Electric Project (PHEP), it remained in planning stage for a very long period and all the residents of the area knew that their land would be acquired, therefore, the prices of land were inflated by executing the sale deeds of very small areas of land by rigging up the prices. She further contended that the award passed by the Reference Court deserves to be set aside on the ground that the sale instances relied upon by the Court below pertain to very small pieces of land and the learned Reference Court erred in not applying any deduction, whereas at least deduction of 80% should have been applied as the acquired land runs in hundreds of *bighas* whereas the sale instances of only 2 and 3 *biswas* were considered.

8. On the other hand, Mr. Sunil Mohan Goel, learned Senior Counsel representing the appellants/claimants fairly submitted that so far as the market value of the land assessed @ Rs.31,800/- per biswa is concerned, the appellants/claimants have

no grievance. However, he contended that the learned Reference Court had failed to appreciate the fact that the land and houses of the applicants-claimants were acquired in the year 2007 and the construction of the houses was also not very old, however, this aspect of the matter had been completely ignored by the learned Reference Court while rejecting the claim of claimants *Dola Ram, Raghubir Singh, Jai Singh and Prema Devi* with regard to their houses. He further contended that they are entitled for enhancement of compensation with regard to their houses @ 40% over and above the amount as granted by PWD authorities as they had applied HP Schedule Rates prevalent for the year 1999.

9. The law mandates that when the State compulsorily deprives a person of his land for public purpose, by invoking the provisions of the Land Acquisition Act, he must be paid compensation in accordance with law, i.e., he must be paid the true market value of the acquired land. It has been held in a catena of decisions by the Hon'ble Apex Court that the market value, as postulated in Section 23(1) of the Act, is deemed to be the just and fair compensation for the acquired land and that the words "market value" would be the price of the land prevailing on the date of publication of the preliminary notification under Section 4(1) of the Act. The acid test for determining the market value of

the land is the price, which a willing vendor might reasonably expect to obtain from a willing purchaser. In determining the market value, the factors enumerated in Section 23 are to be taken into consideration. However, there cannot be any mathematical accuracy in ascertaining the amount of compensation payable.

10. In ***Mehta Ravindrarai Ajitrai (deceased) through his heirs and LRs and others v. State of Gujarat (1989) 4 SCC 250***, the Hon'ble Supreme Court held that the market value of a property for the purpose of Section 23 of the Act is the price at which the property changes hands from a willing seller to a willing purchaser, but not too anxious a buyer, dealing at arms length.

The relevant portion of the aforesaid judgment reads as under:

"4.....The market value of a piece of property for purpose of Section 23 of the Land Acquisition Act is stated to be the price at which the property changes hands from a willing seller to a willing, but not too anxious a buyer, dealing at arms length. Prices fetched for similar lands with similar advantages and potentialities under bona fide transactions of sale at or about the time of the preliminary notification are the usual and, indeed the best, evidences of market value."

11. In ***Atma Singh & others vs. State of Haryana & another (2008) 2 SCC 568***, the Hon'ble Supreme Court held that the market value is the price that a willing purchaser would pay to a willing seller for the property having due regard to its existing conditions with all its existing advantages and its potential

possibilities when led out in most advantages manner, excluding any advantage due to carrying out of the scheme for which the property is compulsorily acquired. In considering market value, disinclination of the vendor to part with his land and the urgent necessity of the purchaser to buy should be disregarded. The question whether a land has potential value or not, is primarily one of the facts depending upon its condition, situation, user to which it is put or is reasonably capable of being put and proximity to residential, commercial or industrial areas or institutions. The existing amenities like, water, electricity, possibility of their further extension, whether near about town is developing or has prospect of development have to be taken into consideration. The relevant portion of the aforesaid judgment reads as under:-

“4.....The expression “market value” has been the subject-matter of consideration by this Court in several cases. The market value is the price that a willing purchaser would pay to a willing seller for the property having due regard to its existing condition with all its existing advantages and its potential possibilities when led out in most advantageous manner excluding any advantage due to carrying out of the scheme for which the property is compulsorily acquired. In considering market value disinclination of the vendor to part with his land and the urgent necessity of the purchaser to buy should be disregarded. The guiding star would be the conduct of pypothetical willing vendor who would offer the land and a purchaser in normal human conduct would be willing to buy as a prudent purchaser in normal human conduct would be willing to buy as a prudent man in normal market conditions but not an anxious dealing at arm’s length nor façade of sale nor fictitious sale brought about in quick succession or otherwise to inflate the market value.

5. For ascertaining the market value of the land, the potentiality of the acquired land should also be taken into

consideration. Potentiality means capacity or possibility for changing or developing into state of actuality. It is well settled that market value of a property has to be determined having due regard to its existing condition with all its existing advantages and its potential possibility when led out in its most advantageous manner. The question whether a land has potential value or not, is primarily one of fact depending upon its condition, situation, user to which it is put or is reasonably capable of being put and proximity to residential, commercial or industrial areas or institutions. The existing amenities like water, electricity, possibility of their further extension, whether near about town is developing or has prospect of development have to be taken into consideration."

12. In ***Union of India vs. Pramod Gupta (dead) by LRs & others, 2005 (12) SCC 1***, the Hon'ble Supreme Court held that the best method, as is well-known, would be the amount which a willing purchaser would pay to the owner of the land. In the absence of any direct evidence, the Court, however, may take recourse to various other known methods. Evidence admissible therefor inter alia would be the sale deeds, judgments and awards passed in respect of acquisitions of lands made in the same village and/or neighbouring villages. Such a judgment/award in the absence of any other evidence like deed of sale, report of the expert and other relevant evidence would have only evidentiary value. The relevant portion of the aforesaid judgment reads as under:

"24.While determining the amount of compensation payable in respect of the lands acquired by the State, the market value therefor indisputably has to be ascertained. There exist different modes therefor.

25.The best method, as is well known, would be the amount which a willing purchaser would pay to the owner of

the land. In absence of any direct evidence, the court, however, may take recourse to various other known methods. Evidences admissible therefor inter alia would be judgments and awards passed in respect of acquisitions of lands made in the same village and/or neighbouring villages. Such a judgment and award, in the absence of any other evidence like the deed of sale, report of the expert and other relevant evidence would have only evidentiary value."

13. For ascertaining market value of the acquired land, the Court can no doubt rely upon such sale transactions, which would offer a reasonable basis to fix the price, for which purpose, a sale transaction relating to a smaller parcel of land can be considered for the purpose of assessing the market value in respect of a large tract of land, after making appropriate deductions such as for development of land, for providing space for roads, sewers, drains, expenses involved in formation of a layout, lump- sum payments, as well as for the waiting period required for selling the sites that would be formed and other expenses involved therein, but before doing so, the evidentiary value of such a sale deed is required to be carefully scrutinized. As held in the case of ***Land Acquisition Officer vs. Nookala Rajamallu reported as (2003) 12 SCC 334***, in order to adopt the price reflected in the sale deed, the following conditions are required to be met:-

"9.It can be broadly stated that the element of speculation is reduced to a minimum if the underlying principles of fixation of market value with reference to comparable sales are made:

- (i) when sale is within a reasonable time of the date of notification under Section 4(1);
- (ii) it should be a bona fide transaction;
- (iii) it should be of the land acquired or of the land adjacent to the land acquired; and
- (iv) it should possess similar advantages

10. It is only when these factors are present, it can merit a consideration as a comparable case (see *Special Land Acquisition Officer v. T. Adinarayan Setty* AIR 1959 SC 429)."

14. It is a settled law that where the entire area is similarly situated, the value of the land under acquisition is to be assessed as a single unit irrespective of its classification and nature ignoring the purpose to which it was being put prior to the acquisition, as well as to the one it is likely to be put thereafter. In ***Gulabi & etc. vs. State of H.P., AIR 1998 HP 9***, it has been held as under:-

"As a result of this discussion it is held that the market value of the land on the date of acquisition is Rs.4,000/- per biswa. In this context it is further held that the value of the land under acquisition is to be assessed irrespective of its classification and nature ignoring the purpose to which it was being put prior to the acquisition, as well as to the one it is likely to be put thereafter, Consequently, the appellants are held entitled to compensation at the rate of Rs. 4,000/- per biswa uniformly for all qualities of land and it is ordered accordingly. In taking this view, we are guided by the judgment of the Hon"ble Apex Court reported in *Bhagwathula Samanna and others Vs. Special Tahsildar and Land Acquisition Officer, Visakhapatnam Municipality*, and the relevant abstracts from the said judgment are as under (paras 7, 11, 13):--

"In awarding compensation in acquisition proceedings, the Court has necessarily to determine the market value of the land as on the date of the relevant Notification. It is useful to consider the value paid for similar land at the material time under genuine transactions. The market value envisages the price which a willing purchaser may pay under bona fide transfer to a willing seller. The land value can differ depending upon

the extent and nature of the land sold. A fully developed small plot in a important locality may fetch a higher value than a larger area in an undeveloped condition and situated in a remote locality. By comparing the price shown in the transactions all variables have to be taken into consideration. The transaction in regard to smaller property cannot, therefore, be taken as a real basis for fixing the compensation for larger tracts of property. In fixing the market value of a large property on the basis of a sale transaction for smaller property, generally a deduction is given taking into consideration the expenses required for development of the larger tract to make smaller plots within that area in order to compare with the small plots dealt with under the sale transaction.

The principle of deduction in the land value covered by the comparable sale is thus adopted in order to arrive at the market value of the acquired land. In applying the principle it is necessary to consider all relevant facts. It is not the extent of the area covered under the acquisition, the only relevant factor. Even in the vast area there may be land which is fully developed having all amenities and situated in an advantageous position. If smaller area within the large tract is already developed and suitable for building purposes and have in its vicinity roads, drainage, electricity, communications etc., then the principle of deduction simply for the reason that it is part of the large tract acquired, may not be justified.

The proposition that large area of land cannot possibly fetch a price at the same rate at which small plots are sold is not absolute proposition and in given circumstances it would be permissible to take into account the price fetched by the small plots of land. If the larger tract of land because of advantageous position is capable of being used for the purpose for which the smaller plots are used and is also situated in a developed area with little or no requirement of further development, the principle of deduction of the value for purpose of comparison is not warranted.

In the instant case it has been satisfactorily shown on the evidence on record that the land has facilities of road and other amenities and is adjacent to a developed colony and in such circumstances it is possible to utilize the entire area in question as house sites. In respect of the land acquired for the road, the same advantages are available and it did not require any further development. Therefore, no deduction could be made on ground, that large tract of land is required."

15. In ***Land Acquisition Officer vs. L Kamalamma, (1998) 2 SCC 385, H.P. Housing Board vs. Ram Lal & others, 2003(3) Sim.L.C. 64 and Executive Engineer & Anr. Vs. Dilla Ram, Latest HLJ 2008 (HP) 1007***, it was held that when the entire land acquired belongs to one block, classification of the same into different categories is not reasonable. In case acquired land is to be used/developed as a single unit for a purpose having no relevancy with quality of land, the classification of land completely loses its significance.

16. Therefore, in view of the aforesaid authoritative pronouncements of law, the contention of the learned counsel for the appellants-claimants that the learned Reference Court has erred in awarding uniform rate for the entire land by ignoring the classification and nature of the land deserves to be rejected, as in the instant case also the land has been acquired as the single unit for the public purpose, i.e., for construction of Sainj bye-pass road by Parvati Hydro Electric Project, Stage-III.

17. In the instant case, the petitioners/claimants have relied on sale deed Ext.PW5/A, dated 02.01.2003 regarding two biswas of land, situated in Phati Manyashi, for a consideration of Rs.1,21,000/-. They have also relied upon the sale deed

Ext.PW6/A, dated 28.05.2007, regarding three biswas of land, situated in Phati Dushad Kothi Banogi for a sum of Rs.1,80,000/-. There is nothing on the record to show that these transactions proved by the claimants i.e. sale deeds Ext.PW5/A and Ext.PW6/A, were not *bona fide*. These transactions pertain to the area where the acquired land is situated and, therefore, they can be taken into consideration for the determination of the market value.

18. The appellant(s)-beneficiary had tendered in evidence Ext. R1 & Ext. R2, the average value of the area during the years 2006-07, and on the basis of the said transaction in the area, the average value was about Rs.3,600/- per biswa. However, the aforesaid average values placed on record by the respondents were rightly not taken into consideration by the learned Reference Court as in these average values, the transaction was about Rs.3,600/- per biswa, which is much less than the value of the land assessed by the Land Acquisition Collector @ Rs.13,875/- per biswa as per award placed on record. Section 25 of the Act provides that the amount of compensation awarded by Court shall not be lower than the amount awarded by the Collector. At this stage, it would be apt to reproduce Section 25 of the Act which reads as under:-

“Amount of compensation awarded by Court not to be lower than the amount awarded by the Collector. The amount of compensation awarded by the Court shall not be less than the amount awarded by the Collector under Section 11.”

19. Therefore, in view of Section 25 of the Act, no fault can be found with the findings recorded by the learned Reference Court to the extent that it had not taken into consideration the average value of the area Ext. R1 & Ext. R2. Hence, on the basis of sale deeds Ext.PW5/A and Ext. PW6/A, the learned Reference Court rightly held that the petitioners/claimants would be entitled for uniform market value @ Rs.31,800/- per *biswa*, irrespective of the classification of the land.

20. The learned counsel for the appellant(s)-beneficiary further contended that the award passed by the Reference Court deserves to be set aside on the ground that the sale instances relied upon by the Court below pertain to very small pieces of land and the learned Reference Court erred in not applying any deduction, whereas at least deduction of 80% should have been applied as the acquired land runs in hundreds of bighas whereas the sale instances of only 2 and 3 biswas were considered. However, this contention of learned counsel for the appellant(s)-beneficiary that deduction @ 80% was required to be made is devoid of any merits as the amount to the extent of 33-1/3% has

rightly been deducted by the learned Reference Court in the light of the evidence led by the parties while assessing the market value of the land in question.

21. Mr. Sunil Mohan Goel, learned Senior Counsel representing the claimants fairly submitted that so far as the market value of the land assessed @ Rs.31,800/- per biswa is concerned, the appellants/claimants have no grievance. However, he contended that the learned Reference Court has erroneously rejected the claim of the claimants, namely, *Dola Ram, Raghubir Singh, Jai Singh & Prema Devi*, for enhancement of their claim with regard to their houses and failed to appreciate the valuation reports in respect of their houses. He further contended that the houses were constructed in the year 2006, but the valuation was made by the PWD authorities on the basis of H.P. Schedule Rates prevalent for the year 1999 as such, the claimants were entitled for 40% increase over the value as estimated by the PWD authorities.

22. In ***Union of India Vs. Savjiram and another, (2004) 9 SCC 312***, it has been held by the Hon'ble Supreme Court that the compensation payable in respect of the house has to be calculated by taking into consideration the cost of construction at the rates prevalent at the time of assessment of the compensation by working out the current value of the materials and that there is no

scope for any further deduction within the value of the house/building so assessed. Relevant portion of the judgment reads as under:-

“9.A bare reading of para 44 shows that it is a method of calculation indicated relating to the computation of the compensation. The compensation for houses and buildings are required to be calculated on (a) the present value of materials (b) in addition to the cost of construction at present rates. Both the components for working out the compensation relate to present value of the materials and cost of construction at present rates less the value of any materials made over to the proprietor. Obviously, the calculation has to be done on the basis of the present value or the present rates, as the case may be. The expression present means in existence at the time at which something is spoken or written, being in a specified place, thing. Grammatically it means denoting a tense of verbs used when the action or event described is occurring at the time of utterance or when the speaker does not wish to make any explicit temporal reference. It also means the time being, now. Commonly, it denotes existence of a particular thing or a matter at the time of consideration. Obviously therefore after arriving at the cost of construction at the prevalent rate at the time of fixing the compensation or working out the value of the materials there is no scope for making any further deduction.”

23. Further in ***National Hydro Electric Power Corp. vs. Smt. Sumundari & others, 2007(3) S.L.J. (H.P.) 2021***, taking into consideration the value of the houses so assessed on the basis of 1987 schedule of rates whereas the property was acquired vide notification dated 13.6.1992, under Section 4 of the Act, a co-ordinate bench of this court approved the increase to the extent of 50% on the market value of the houses so assessed by the District Judge. Para-16 of the judgment is reproduced as under:-

“16. It is common knowledge that there is general trend of increase in cost of construction. The State has acquired

land and structures under different notifications for construction of reservoir of Chamera Dam. In RFA No.72 of 1998, along with RFAs No.75, 56 and 63 of 1998 decided on 30.5.2007 and RFA No.127 of 1998 decided on 1st June, 2007, this Court has approved 50% increase in market value of the structures over and above the 1987 schedule of rates. The land and structures in those cases were also acquired for construction of reservoir of Chamera Project on the basis of notifications under Section 4 of the Act dated 6.6.1992 and 16.6.1992. In the present case, the notification under Section 4 is of 13.6.1992, therefore, 50% increase given by the District Judge for assessing the market value of the structures over and above the 1987 schedule of rates is just, reasonable and not arbitrary. The claimants/ petitioners have not otherwise independently proved that at the time of notification under Section 4 of the Act what was the value of their superstructure standing on the acquired land."

24. In a similar situation, in ***RFA No.374 of 2021***, titled ***Vikal Sood & another Vs. Collector Land Acquisition NHPC Parati Hydro Electric Project Largi & others***, decided on December 8, 2016, the structure was constructed in the year 2006 and the acquisition proceedings commenced in the year 2007, but it came to be assessed on the basis of the H.P. Schedule Rates, prevalent for the year 1999; a co-ordinate bench of this Court while relying upon ***Sumundari'*** case (supra) held that the market value of the superstructure had to be assessed on the basis of schedule rates prevalent for the year 2007 and not 1999. Paras-5 and 7 of the judgment read as under:-

"5. It is not in dispute that the super-structure came to be assessed by the Government officials on the basis of the H.P. Schedule Rates, prevalent for the year 1999; the structure came to be constructed in the year 2006; and the acquisition proceedings commenced immediately thereafter in the year 2007 as the notification under Section 4 of the Land Acquisition Act came to be published on 05.09.2007.

XXXXX XXXXX XXXX XXXXX

7. The market value of the superstructure had to be on the basis of schedule rates prevalent for the year 2007 and not 1999. Hence it cannot be said that escalation by 40% is on the higher side. As such, keeping in view the ratio of law laid down by this Court in Sumundari's case (supra), the amount towards super-structure stands redetermined and enhanced by 40%."

25. In the case on hand, it is not in dispute that the houses/super-structures of the claimants, namely, Dola Ram, Raghubir Singh, Jai Singh and Prema Devi, came to be constructed in the year 2006 and the acquisition proceedings commenced immediately thereafter in the year 2007 as the notification under Section 4 of the Act came to be published on 05.09.2007, but the value thereof was assessed by PWD authorities on the basis of the H.P. Schedule Rates, prevalent for the year 1999. Therefore, keeping in view the ratio laid down by the Hon'ble Supreme Court in **Savjiram's** case (supra) as well as this Court in **Sumundari's** and **Vikal Sood's** cases (supra), the market value of the houses of claimants Dola Ram, Raghubir Singh, Jai Singh and Prema Devi, has to be assessed on the basis the schedule rates prevalent in the year 2007 and not on the basis of the year 1999, as such, the market value towards their houses stands re-determined and enhanced by 40%.

26. Hence, in view of what has been discussed hereinabove and also considering the above stated settled

principles of law, the appeals preferred by the appellants/ beneficiary, being RFAs No.825 to 838 of 2012 are dismissed, whereas the appeals being RFAs No.948 to 951 of 2012, preferred by the appellants/claimants, i.e. Dola Ram, Raghubir Singh, Jai Singh and Prema Devi,, are partly allowed only to the extent that the they shall also be entitled to 40% enhanced amount towards their houses/superstructures. Consequently, the impugned award dated 30.04.2012, passed by learned Additional District Judge, Fast Track Court, Kullu, District Kullu, HP, is modified accordingly. The remaining part of the award does not require any interference.

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

January 07, 2026
(V.Himalvi)

(Sushil Kukreja)
Judge