

IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION

Civil Appeal No.6375/2009

RAM SINGH

Appellant(s)

VERSUS

STATE OF HARYANA

Respondent(s)

WITH

C.A. No. 6379/2009 & C.A. No. 6380/2009

O R D E R

1. This set of three Civil Appeals are directed against the common Judgment dated 30-10-2008 passed by the Punjab and Haryana High Court at Chandigarh, in a batch of regular first appeals wherein the High Court while enhancing the compensation for the acquired land, has applied a cut of 70% towards development charges.

2. The State of Haryana issued a Notification on 10-01-1997 under Section 4 of the Land Acquisition Act, 1894 proposing to acquire land measuring 236 kanals and 11 marlas for establishment of Government Polytechnic at Loharu, District Bhiwani.

3. The lands were eventually acquired vide Award dated 22-08-1997. The appellants were dissatisfied with the compensation awarded by Collector, hence, made a reference under Section 18 of the Act and pursuant thereto, learned Additional

District Judge vide Award dated 22-12-2003 enhanced the compensation. The Reference Court divided the acquired land in two categories, i.e., land abutting the main road within 100 metres was put in Category 'A' and the rest of the land was treated in Category 'B'.

4. The Reference Court enhanced the compensation by 25% for (A) category land at the rate of Rs.1,70,014/- per acre, whereas for (B) category land, enhancement was made at the rate of 20% i.e. at the rate of Rs.1,12,344/- per acre.

5. Dissatisfied, the appellants filed regular first appeals before the High Court and vide impugned Judgment, the said Court has granted compensation at the rate of Rs.3,15,000/- per acre for 'A' category land and Rs.1,60,000/- per acre for 'B' category land. While enhancing the above-stated compensation, the High Court has further held as follows:-

"As referred to above, the average consideration paid in sale deed (Ex. PF) is Rs. 5,250/- per marla. Considering the fact that acquisition of the land was nearly 2-1/2 years thereafter, I deem it appropriate to grant 25% increase to the value so mentioned in sale deed (ex. PDF). Adding a sum of Rs. 1,310/- therein, the value of the land in sale deed (Ex. PF), as on the date of acquisition, would come out to Rs. 6,650/- per marla. In my opinion, considering the factum of its being a small piece of plot, situated on the main road dealt with for commercial use, a cut of 70% would be appropriate. Accordingly, reducing a sum of Rs. 4,592/- therefrom, the value of the acquired land would come out to Rs. 1,968/- per marla, i.e.

Rs. 3,14,880/- per acre, multiplying the value by 160/- i.e., the number of marlas in one acre. It is rounded off to Rs. 3,15,000/- per acre. As the land forming part of the sale deed, on which reliance was placed for the purpose of determination of aforesaid value was situated on the main road, the value which is determined as above, would be for a depth upto 100 meters from the main road. For the land situated behind it, the same value cannot be assessed as it had the problem of access from the main road. Accordingly, in my opinion, the same should be taken as Rs. 1,60,000/- per acre. The land owners shall also be entitled to all the statutory benefits as available under the Act."

6. The appellants being aggrieved by cut of 70% imposed by the High Court towards development charges are before this Court.

7. The only question, that falls for our consideration is what should be the just and fair cut to be imposed towards development charges, keeping in view the facts and circumstances of the case in hand?

8. It may be seen from the above extracted paragraph of the High Court's Judgment, sale-deed (Exhibit PF) has been relied upon as the best exemplar. The said Sale Deed is dated 13-07-1994 and pertains to a piece of land measuring 12 marlas. As noted earlier, the State of Haryana has acquired a big chunk of land measuring 236 kanals 11 marlas for establishment of the Government Polytechnic College. Since the exemplar Sale Deed pertains to a small piece of land, the cut towards development charges is fully justified. We, however, find that this Court in

a catena of decisions has consistently applied 1/3<sup>rd</sup> deduction towards development charges.

9. In order to avoid multiplicity of citations on the point, it is sufficient for us to rely upon a two-Judge Bench decision of this Court in "Maya Devi (Dead) Through Legal Representatives and Others vs. State of Haryana And Another" Reported in (2018) 2 SCC 474.

10. In the said case, a series of decisions taking a consistent view that 1/3<sup>rd</sup> amount of compensation ought to be deducted towards development charges where the sale instance pertains to small pieces of land as compared to land acquired. There can, however, be no doubt that the rate of deduction will depend upon the nature and location of the acquired land, extent of land are required to be set apart, expenses involved for development and other relevant factors.

11. In the instant case, the land is already surrounded by Government Offices, commercial establishments, Government hospital and residential properties. Though, it is recorded as agricultural land, it possesses the potentiality and utility for non-agricultural purposes. There is nothing on record to suggest that any substantial development cost was to be incurred for construction and establishment of Government Polytechnic. The fact that the land abuts the main road further suggests that even construction of road etc. was not required for optimum utility of the acquired land.

12. In this fact situation and in the light of the decisions of this Court including in "Maya Devi (Dead) Through Legal Representatives and Others vs. State of Haryana And Another" (supra), we are satisfied that it would be just and fair if 1/3<sup>rd</sup> amount of compensation be deducted towards development charges.

13. Ordered accordingly.

14. In all fairness, learned State counsel relies upon a recent decision of this Court in "Union of India versus Premlata And Others" (2022) 7 SCC 745, where a Coordinate Bench has held that 40% deduction towards development charges was justified in that case.

15. On a plain reading of Para 18 of the Judgment, it is evident that acquisition was for a big chunk of land which was not fully developed and the landowner had not filed any exemplar sale deed. It is evident that the rate of deduction was determined by this Court keeping in view the peculiar facts of the said case.

16. Consequently, we direct the Reference Court at Bhiwani to re-determine the compensation payable to the appellants as directed above within a period of one month from the date of receipt of a copy of this Order. The State of Haryana shall deposit the additional amount of compensation within two months thereafter and the same be disbursed to the appellants immediately thereafter.

17. The appeals are allowed in part.

.....J  
(SURYA KANT)

.....J  
(J.K. MAHESHWARI)

NEW DELHI;  
1ST DECEMBER, 2022.

ITEM NO.101

COURT NO.9

SECTION IV

S U P R E M E C O U R T O F I N D I A  
R E C O R D O F P R O C E E D I N G SCivil Appeal No.6375/2009

RAM SINGH

Appellant(s)

VERSUS

STATE OF HARYANA

Respondent(s)

WITH

C.A. No. 6379/2009 (IV)

C.A. No. 6380/2009 (IV)

Date : 01-12-2022 These appeals were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE SURYA KANT

HON'BLE MR. JUSTICE J.K. MAHESHWARI

For Appellant(s)

Mr. K. K. Mohan, AOR

For Respondent(s)

Dr. Monika Gusain, Adv.

Mr. Sanjay Kumar Visen, AOR

UPON hearing the counsel the Court made the following  
O R D E R

The appeals are allowed in part, in terms of the signed Order.

(VISHAL ANAND)

ASTT. REGISTRAR-cum-PS

(Signed Order is placed on the file)

(PREETHI T.C.)

COURT MASTER (NSH)