



IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION  
CIVIL APPEAL NOS.5784-5798 OF 2021  
(Arising out of SLP (C) Nos.21168-21182 of 2018)

MADAN LAL & ORS. ETC.

Appellants

VERSUS

STATE OF PUNJAB ETC.

Respondents

ORDER

Leave granted.

This appeal challenges the judgment and order dated 22.01.2018 passed by the High Court of Punjab and Haryana at Chandigarh in RFA Nos.3154 of 2003 (O&M), 2580, 2581, 2582, 2583, 2584, 2999, 3000, 4556, 5560 of 2001 (O&M), and 853, 1286, 2716, 2717 and 2718 of 2002 (O&M).

While dealing with appeals arising out of land acquisition proceedings initiated pursuant to Notification issued under Section 4 of the Land Acquisition Act, 1894 on 15.12.1988, the High Court concluded that the base value of the land ought to be Rs.92.56 per sq. yd. While arriving at this conclusion, the High Court relied upon the decision of this Court in *General Manager, Oil and Natural Gas Corporation Limited v. Rameshbhai Jivanbhai Patel & Another*, (2008) 14 SCC 745 and applied rate of 7.5% as yearly appreciation. The tabular chart in that behalf was under:

1 <sup>st</sup> Year	60 + 4.5	(7.5% of 60)		64.5
2 <sup>nd</sup> Year	64 + 4.84	(7.5% of 64.5)		69.3
3 <sup>rd</sup> Year	69.3 + 5.2	(7.5% of 69.3)		74.5
4 <sup>th</sup> Year	74.5 + 5.59	(7.5% of 74.5)		80.1
5 <sup>th</sup> Year	80.1 + 6.007	(7.5% of 80.1)		86.1
6 <sup>th</sup> Year	86.1 + 6.46	(7.5% of 86.5)		92.56 Rs. Per Sq. Yd.

Arriving at the base value of Rs.92.56 per sq. yd., the High Court thereafter subjected such base value to cuts on two counts. The discussion in that behalf was as under:

“The fact that there was no construction in the near vicinity and for developing the area necessarily development cut would be required. Accordingly, this Court is of the opinion that a 50% cut is liable to be fixed on a sum of Rs.92.56 per square yard. The market value would be assessed @ Rs.46.28 per square yard and it would come to Rs.2,23,995/- per acre. The cut is on two accounts, one is 25% on development cut and second is on account of the fact that the acquisition is at the stage when the State was under the shadow of terrorism. Accordingly, the appeals are partly allowed to that extent.”

On 03.08.2018, this Court issued notice confined only to examine the issue in respect of deduction of 25% on the ground of shadow of terrorism.

Heard Mr. Nidhesh Gupta, learned Senior Advocate for the appellants, and Mr. Karan Bharihoke, learned Advocate for the State.

If the State was under shadow of terrorism during a particular period, the price at which transactions were undertaken would naturally be at depressed price. The High Court was not, therefore, justified in subjecting the base value for a further cut on account of the State being under shadow of terrorism during the relevant time.

We, therefore, set-aside the cut employed on the aforestated ground.

Resultantly, the value of Rs.92.56 per square yard will be subject only to 25 per cent cut by way of development. The net value, therefore, will be Rs.69.42 per square yard and the appellants will be entitled to all statutory benefits on said value of Rs.69.42 per square yard. The difference in computation shall be made over to the concerned appellants by the State within eight weeks from today.

With these observations, the appeals are disposed of, without any order as to costs.

.....J.  
(UDAY UMESH LALIT)

.....J.  
(S. RAVINDRA BHAT)

NEW DELHI,  
SEPTEMBER 20, 2021