

State Infrastructure And Industrial ... vs Shri Avdhesh Chaudhary on 22 May, 2026

2026:UHC:4078

IN THE HIGH COURT OF UTTARAKHAND AT
NAINITAL
FIRST APPEAL No.17 of 2011

State Infrastructure and Industrial Development
Corporation of Uttarakhand Ltd. (SIDCUL).

.....Appellant

Versus

Shri Avdhesh Chaudhary

..... Respondent

Presence:-

Mr. Vipul Sharma along with Mr. Maneesh Bisht, learned counsel for the appellant.

Mr. Hem Pujari, learned counsel for the respondent.

----- Hon'ble Siddhartha Sah,
J. (oral) By means of the present First Appeal filed under Section 54 of the Land Acquisition Act, the appellant has assailed the judgment and decree dated 13.12.2010 passed by the learned Additional District Judge, Dehradun in L.A. Case No.20 of 2006, titled as "Shri Avdhesh Chaudhary vs. Collector and Another", whereby the said reference under Section 18 of the Land Acquisition Act (hereinafter referred to as "the Act") was allowed and the compensation was granted @ Rs.1000/- per square metre.

2. The relevant facts of the case in brief are as follows:

(i) The present case emanates out of land acquisition proceedings, whereby the land of the claimant/respondent herein bearing Khasra 2026:UHC:4078 No.447-Ka area 0.700 hectare and 447-Kha area 0.020 hectare and total area 0.720 hectare situated in Village Gujrada Mansingh, Pargana Parwa Doon, District Dehradun was acquired for the purpose of developing Information Technology and Electronic Park. The acquiring authority is stated to be the Managing Director of Uttaranchal State Industrial Development Corporation Ltd.

Dehradun. The Notification under Section 4(1) of the Land Acquisition Act was published in the Gazette on 06.11.2004 and was published in the newspapers on 19.11.2004 and public notice thereof

was issued on 17.11.2004. Thereafter, Notification under Section 6(1) of the Land Acquisition Act was issued on 20.01.2005 and it was published in the newspapers on 06.02.2005 and public notice thereof was issued on 09.02.2005.

(ii) The Special Land Acquisition Officer (hereinafter referred to as "The SLAO") declared the award on 07.11.2005. The market value of the acquired land i.e. 0.720 hectare was determined at Rs.24,54,494.16 paisa and after adding the solatium, 30% and 12% additional compensation, the total compensation was determined at Rs. 34,72,470.40 paisa. For determining the 2026:UHC:4078 compensation, the SLAO collected 53 sale deeds from Sub-Registrar's office, Dehradun for a period of one year prior to the date of Notification under Section 4(1) of the Land Acquisition Act, and after analyzing all the said sale deeds, the sale deed mentioned at Serial No.12 of the Schedule II, pertaining to the sale deed by Shri Govind Singh S/o Shri Ram Singh to Smt. Abha Bahuguna W/o Bhaskar Bahuguna dated 29.07.2004, pertaining to Khasra No.443 of the same village for an area of 132 square meters for Rs. 45,000/- was adopted as an exemplar sale deed and whose rate was Rs. 13,79,611.36 paisa per acre and on the basis of that, the compensation was assessed, as mentioned herein before.

(iii) Dissatisfied with the said compensation as determined by the SLAO, the claimant/respondent herein, preferred a reference to the District Judge, Dehradun through the Special Land Acquisition Officer, which was registered as L.A. Case No. 20 of 2006, "Shri Avdhesh Chaudhary vs. Collector, Dehradun & Another".

(iv) In reference, it was inter alia contended by the claimant/respondent that the compensation awarded was on a very low rate due to which, the reference is being made under Section 18 of the 2026:UHC:4078 Land Acquisition Act. The rate of the acquired land has been determined on the basis of a very low value exemplar sale deed, overlooking the settled principles and the government orders which provide that the compensation has to be determined on the basis of the highest available sale deed and that should be the basis for determining the compensation. It is also contended in the aforesaid reference that the acquired land is situated on the Sahastradhara Road in Mauja Gujrada Mansingh, Pargana Parwa Doon, District Dehradun and the situation of the land is residential and it can be used for any purpose, where all the facilities are available. Sahastradhara is a main tourist spot and on this road, there is availability of transport facilities. This road also leads to Mussoorie. In this manner, this area is of very high usage.

(v) It was also contended that on account of the said acquisition proceedings, the claimant/respondent has sustained a huge financial loss because the valuation of the acquired land has been made on the basis of a very low value sale deed whereas there are many sale deeds of Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, wherein though, below the circle rate, the value is around 2026:UHC:4078 46 lakhs per acre and are around five months prior to the date of the notification, but in spite of that, the valuation has been made for the basis of compensation at the rate of Rs. 13,79,611.36 paise per acre. The claimant/respondent contended that he demands the valuation of the compensation for the acquired land situated on the Sahastradhara Road on the basis of the biennial minimum market rate as fixed by the Collector, Dehradun, Tehsil Dehradun Mauja Gujrada Mansingh, Pargana Parwa Doon, District Dehradun for the market rate from

01.11.2003 (modified from 02.12.2003) to 31.10.2005, which is situated on the Sahastradhara Road up to Chhatri, which is around 3.5 kilometres on the Sahastradhara Road and around 125 metres inside. The claimant/respondent thus made a claim as per the circle rate at the rate of Rs.2000/- per square metre and the solatium, additional compensation and interest on this rate.

(vi) The SIDCUL/appellant herein contested the said reference by filing its written statement and it was inter alia contended in the said written statement that people living in the vicinity and elsewhere were aware that the IT park was to be setup for 2026:UHC:4078 which the land has been transferred to opposite party no.2.

(vii) It was inter alia mainly contended that Khasra No.447-Ka (Old No.190) is a waste land and barren. It has no potential value. It is land locked. There is no access to the said land. Even otherwise, the land is situated more than 450 meters from the main Sahastradhara Road. It is further wrong to state that the land is residential or can be used for the purpose of residence. The SLAO had taken into consideration a large number of exemplar sale deeds and had fixed compensation in accordance with the provisions of the Act and the amount of award is just and proper. The awarded amount was right and adequate and the award given by the SLAO in this regard took into consideration all relevant factors. In the additional written statement, the SIDCUL/appellant herein had contended that the fixation of compensation as per circle rate cannot be made the basis for the land acquired under Land Acquisition Act. The land is beyond 450 metres from the main road. The claimant/respondent is not entitled to compensation at the rate of Rs. 2000/- per square metre. The compensation awarded by the SLAO is 2026:UHC:4078 in accordance with the provisions of the Land Acquisition Act.

(viii) Before the Reference Court, the claimant/respondent had placed on record the circle rate pertaining to residential and commercial rates of the area in which the property in question was situated. The claimant/respondent had also placed on record a certified copy of a sale deed executed by Sanjay Sachdeva & others in favour of Lt. Col. A.K. Thakur, which is duly registered in Bahi No.1/FD FA Book 1- Jild 1337/1403, Pages 336/883-889, which was registered at serial number 4455 on 10-6-2004 in the Office of the Sub-Registrar, Sadar-1, Dehradun. The said sale deed was pertaining to Khasra No.467 of an area of 291 square metres situated at Mauja Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, having the category of residential land at the rate of Rs.2000/- per square metre.

(ix) Another sale deed that was placed on record on behalf of the claimant/respondent was a sale deed executed by Sanjay Sachdeva & others in favour of Jasindra Raj Kathuria, which is duly registered in Bahi No.1/FD FA Book 1, Jild 1337/1403, page 336/873-882 at Serial No.4454 on 10-06-2004 in the Office of the Sub-Registrar Sadar-1, Dehradun, 2026:UHC:4078 which pertained to Khasra No.468, area 288 square metre, situated at Mauja Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, having the category of residential land, at the rate of Rs. 2000/- per square metre.

(x) Vide List 59-C1, another document that was filed was the circle rate list with Khasra numbers issued on 31.10.2009 by the Additional District Magistrate (Finance and Revenue), Dehradun. Vide

List 44-C1, copy of Khatauni and copy of the Revenue Map pertaining to village Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, Fasli 1400, was also placed on record.

(xi) On behalf of the SIDCUL/appellant, vide List 29 C-

1, certified copy of sale deed dated 29-7-2004, executed by Shri Govind Singh in favour of Smt. Abha Bahuguna duly registered in the Office of Sub-Registrar, Sadar I, Dehradun and recorded in Book 1, Volume 1337, Page 402/ADF Book No.1, Volume 1416, Pages 745 to 754, at Serial number 5436, dated 29.07.2004, was placed on record. The perusal of the said sale deed would show that it pertained to land situated within Village Gujrada Mansingh, Pargana Parwa Doon, District Dehradun and the schedule of the property shows 2026:UHC:4078 that it is situated within Khasra No.170 having an area of 132 square metres.

(xii) Vide List 38 C-1, SIDCUL/appellant herein had also placed on record certified copy of the map of Mauja Gujrada Mansingh, Pargana Parwa Doon, District Dehradun and certified copy of 12 years Khasra, Gram Gujrada Mansingh.

(xiii) To prove their cases, the respective parties filed affidavits of examination-in-chief of the respective witnesses who were duly cross-examined. Thereafter, the matter was finally heard by the 3rd Additional District Judge, Dehradun and vide judgment and order dated 13.12.2010, the reference was allowed and the claimant/respondent herein was granted compensation at the rate of Rs.1,000/- per square metre after 50% deduction.

3. Before the Reference Court, the claimant/respondent herein relied upon judgments of this Court rendered in the cases of "Bhopendra Singh and Others vs. Awas Vikas Parishad and Others" reported in MANU/UC/0270/2005 and "State of UP versus Kunwar Lal", (2006) 1 LACC 325 and submitted that the compensation of the land in question cannot be granted in any case, less than the circle rate of the land. Reliance was also placed upon a 2026:UHC:4078 judgment of this Court rendered in First Appeal No.75/2018 "Indian Oil Corporation versus Harichand and Another". In the said judgments, this court has held that the determination of the compensation on the basis of circle rate is proper.

4. Another judgment cited on behalf of the claimant/respondent before the Reference Court was in the case of "Lal Chand vs. Union of India and Another", (2009) 15 SCC 769 and had submitted that in the matter of land acquisition, the circle rates are relevant fact.

5. Against such contentions, it was submitted on behalf of the SIDCUL/appellant herein that the circle rate is not the sole criteria for determination of the compensation and it was contended that there is difference in the rate between the developed land and the undeveloped land. Placing reliance upon the judgment of the Hon'ble Supreme Court in the case of "Lucknow Development Authority versus Krishna Gopal", (2008) 1 SCC 554, it was submitted that when a land is being acquired for a large area, for a development authority, it is not proper to enhance the compensation. It was also submitted before the Reference Court that the deduction ought to be one-third instead of one-fourth. It was further submitted that where on the acquired land there is lack of metalled roads

and electricity, there can be deduction from 35% to 60%. Making reference to other judgments of the Hon'ble Supreme Court in the case of 2026:UHC:4078 "Mumidi Apparao versus Nagarjuna Fertilizer Chemical Engineering Ltd.", (2001) 4 SCC 402, it was contended that deduction to the value of development of the land acquired can be made.

6. Reference Court while advertng to the exemplar sale deed, which was for Khasra No.467 of Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, and situated in Khasra No.467 for an area of 291 square metres and 288 square metres, the Reference Court considered that the land which has been acquired is having an area of 0.7 hectare i.e. 7,000 square metres and in such a background, since the sale deed is for a small land, therefore, the sale consideration which has been shown in the said sale deed, on the basis of that it will not be proper for determining the market value of the acquired land. It was considered by the Reference Court that the stamp duty which has been paid on this sale deed was on the basis of the circle rate and from this, the sale consideration is calculated as Rs.1133 per square metre and the same situation is pertaining to the other exemplar sale deeds.

7. Placing reliance upon a judgment of this Court in the case of "Bhopendra Singh versus State of UP", the Reference Court considered that the compensation cannot be less than the circle rate. The Reference Court then inferred that the acquired land is situated between 50-350 metres from the main Sahastradhara Road and the circle rate 2026:UHC:4078 prevalent at the time of the acquisition whose copy is on record as 11C/1-11C/2, according to which the residential rate is Rs.2,000 per square metre and in view of the judgment of the High Court, it is not proper for assessing the value less than the circle rate.

8. Relying upon the judgment of the Hon'ble Supreme Court in the case of "Lucknow Development Authority" (supra) and considering that the sale deed of the land which was acquired vide sale deed dated 07.07.2003 which has been shown as agricultural land, the deduction needs to be made and after considering the same, the Reference Court came to the conclusion that from the circle rate of Rs.2,000 per square metre, deduction of minimum 50% needs to be made for the acquired land since it is a very large area of land and for the development of the same, there would be works for electricity, roads etc. on which there will be a huge expenditure. Therefore, the Reference Court found it proper that a deduction of 50% be made from the rate of Rs.2,000 per square metres and the actual compensation is to be determined at the rate of Rs.1,000 per square metre. And the Reference Court, thus, came to the conclusion that after deduction of the 50% from the rate of the Rs.2000 per square metre, the claimant is entitled to the rate of Rs.1000 per square metre as compensation for the acquired land and thus, proceeded to allow the reference.

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9. Aggrieved against the said judgment and order dated 13.12.2010, the present First Appeal has been preferred on behalf of the State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd. (SIDCUL)/appellant.

10. The short controversy in the present First Appeal would be whether the compensation that was determined by the SLAO on the basis of the exemplar sale deed at the rate of Rs.13,79,611.36 paise per acre is proper or whether the compensation at the rate of Rs.1,000 per square metre as determined by the Reference Court is proper? Thus, the following point arises for determination in the first appeal as follows:-

"Whether the Reference Court was justified in enhancing the compensation at the rate of Rs.1000/- per square metre on the basis of the circle rate or whether the criteria adopted by the SLAO for determining the circle rate on the basis of the exemplar sale deed at the rate of Rs.13,79,611.36 paise per acre was proper?"

11. Heard the learned counsel for the parties and perused the record. Assailing the judgment of the Reference Court, the learned counsel for the appellant, Mr. Vipul Sharma, would submit that the Reference Court has grossly 2026:UHC:4078 erred by relying upon the circle rate as a determining factor for arriving at the compensation.

12. Learned counsel for the appellant would further submit that in the sale deed dated 07.07.2003, the land of the claimant/respondent was shown as agricultural land. He has further pointed out the circle rate, which has been shown in the said sale deed as Rs.5.40 lakh per acre and the land sold to the claimant was having an area of 0.720 hectare.

13. Learned counsel for the appellant would further submit that the exemplar sale deed that was chosen by the SLAO pertained to exemplar sale deed of the most proximate and similar land.

14. Learned counsel for the appellant has placed reliance upon a judgment of the Hon'ble Supreme Court in the case of "Jawajee Nagnatham vs. Revenue Divisional Officer, Adilabad, A.P. and others", reported in (1994) 4 SCC 595, and particularly referred to para 5 thereof. Relevant portion of para 5 is being extracted hereunder for ready reference:-

"5. The question, therefore, is whether the Basic Valuation Register is evidence to determine the market value. This Court in Special Land Acquisition Officer v. T. Adhinarayan Setty [AIR 1959 SC 429 : 1959 Supp 1 SCR 404 : 1959 Cri LJ 526] in paragraph 9 held that the function of the Court in awarding compensation under the Act is to ascertain the 2026:UHC:4078 market value of the land at the date of the notification under Section 4(1). The methods of valuation may be (1) opinion of experts (2) the price paid within a reasonable time in bona fide transactions of purchase of the lands acquired or the lands adjacent to the lands acquired and possessing similar advantages; and (3) a number of years purchase of the actual or immediately prospective profits of the lands acquired. Same was the view in Tribeni Devi v. Collector of Ranchi [(1972) 1 SCC 480 : (1972) 3 SCR 208] . It was reiterated in catena of decisions, vide, Periyar and Pareekanni Rubbers Ltd. v. State of Kerala [(1991) 4 SCC 195] . Therefore, it is settled law that in determining the market value, the Court has to take into account either one or the other three methods to determine market value of the lands appropriate on the facts of a given case to determine the

market value. Generally the second method of valuation is accepted as the best. The question, therefore, is whether the Basic Valuation Register would form foundation to determine the market value. It is, therefore, clear that the Basic Valuation Register prepared and maintained for the purpose of collecting stamp duty has no statutory base or force....."

15. Another judgment being relied upon by the learned counsel for the appellant is in the case of "Krishi Utpadan Mandi Samiti, Sahaswan, District Badaun vs. Bipin Kumar and another", reported in (2004) 2 SCC 283 and he has particularly drawn the attention of the Court to para 7 thereof, which is being extracted hereunder for ready reference:-

2026:UHC:4078 "7. It has been held by this Court in the case of Jawajee Nagnatham v. Revenue Divisional Officer [(1994) 4 SCC 595] that market value under Section 23 of the Land Acquisition Act, 1894 cannot be fixed on the basis of a basic valuation register maintained by the registering authority for collection of stamp duty. Therefore, the reliance by the Reference Court on the values of land fixed by the District Magistrate for stamp duty purposes is clearly erroneous. For the purposes of the Land Acquisition Act the market value must be determined on the basis of sale deeds of comparable lands.

In this case the Land Acquisition Officer had taken note of one such sale deed where the price was Rs 15.37 per sq yard. The Reference Court also had before it the sale deed by which the respondent purchased a portion of the acquired land. As stated above, the sale deed was for Rs 15.40 per sq yard. Section 92 of the Evidence Act precludes a party from leading evidence contrary to the terms of a written document. It was, therefore, not open to the respondent to urge that, even though his sale deed showed a price of Rs 15.40 per sq yard the real market value was Rs 120 per sq yard. To permit a party to so urge would be to give a premium to dishonesty. Parties who undervalue their documents, for purpose of payment of stamp duty, cannot be allowed to then claim that their own documents do not reflect the correct market value. Therefore, as per sale instances of the comparable lands, the market value, on dates of sales, were in the region of Rs 15.37 to Rs 15.40 per sq yard."

16. Another judgment being relied upon by the learned counsel for the appellant is in the case of "New Okhla Industrial Development Authority vs. Harnand Singh", reported in (2024) SCC OnLine SC 1691 and he has particularly 2026:UHC:4078 referred to para 24 thereof, which is being extracted hereunder for ready reference:-

"24. Given the statutory intention behind term 'market value', the natural corollary is that the sale exemplars reflecting the prices paid by a willing buyer to a willing seller would be the most relevant piece of evidence for determination of such value."

17. Another judgment being relied upon by the learned counsel for the appellant is the case of "Bharat Sanchar Nigam Limited vs. Nemichand Damodardas and another", reported in (2022) 14 SCC 60 and he particularly relied upon paragraphs 12 and 13 thereof, which are being extracted

hereunder for ready reference:-

"12. The aforesaid decision in *Jawajee Nagnatham* [*Jawajee Nagnatham v. Revenue Divisional Officer*, (1994) 4 SCC 595] has been subsequently followed in a subsequent decision of this Court in *Lal Chand* [*Lal Chand v. Union of India*, (2009) 15 SCC 769 : (2009) 5 SCC (Civ) 766] and it is observed that the market value of the land under Section 23 of the Land Acquisition Act cannot be fixed on the basis of the rates mentioned in the Basic Valuation Registers maintained for the purpose of collection of proper stamp duty. In that case, as the Reference Court determined the amount of compensation on the value of the land fixed by the District Magistrate for stamp duty purposes, this Court has observed and held that the same was erroneous.

13. As such, we are in complete agreement with the view taken in the aforesaid two decisions that the prices 2026:UHC:4078 mentioned in the Ready Reckoner for the purpose of calculation of the stamp duty, which are fixed for the entire area, cannot be the basis for determination of the compensation under the Land Acquisition Act. It is required to be noted that in the present case, the Reference Court did consider the submission on behalf of the claimants to determine the market value on the basis of the Ready Reckoner. The Reference Court specifically refused to accept the same on appreciation of the deposition of PW 3. PW 3, a government officer specifically admitted that the Ready Reckoner was prepared for recovery of the proper stamp duty and the registration charges and that the actual rates of transaction of sales in market are different than the rates mentioned in the Ready Reckoner and that correct market prices cannot be reflected from the Ready Reckoner. Even PW 4 also specifically admitted in his deposition that the Ready Reckoner is prepared only for collecting stamp duty. The Reference Court, therefore, rightly relied upon and followed the decisions of this Court in *Jawajee Nagnatham* [*Jawajee Nagnatham v. Revenue Divisional Officer*, (1994) 4 SCC 595] and *Krishi Utpadan Mandi Samiti* [*Krishi Utpadan Mandi Samiti v. Bipin Kumar*, (2004) 2 SCC 283]."

18. Another judgment relied upon by the learned counsel for the appellant is in the case of "*T. S. Ramachandra Shetty vs. Chairman, Karnataka Housing Board and Another*", reported in (2009) 14 SCC 334, and has placed reliance upon paragraphs 2, 7, 8, 9, 10 and 13, which are extracted hereunder for ready reference:-

2026:UHC:4078 "2. For the sake of convenience, the facts are being taken from Civil Appeal No. 3332 of 2001. The appellant's land measuring 1 acre 32 guntas in Survey No. 32/1 at Henjagondanahalli Village was acquired pursuant to the preliminary Notification published on 20-5-1987. The Land Acquisition Officer had granted compensation at the rate of Rs 17,500 per acre. The Reference Court on appeal enhanced the amount from Rs 17,500 to Rs 2,17,800 per acre. This amount was calculated at the rate of Rs 5 per square foot.

The Karnataka Housing Board aggrieved by the said judgment preferred an appeal before the High Court of Karnataka.

7. The fact is that this very land was purchased by the appellant a year ago i.e. on 24-3-1986 for Rs 45,000 and for the same land the High Court gave the compensation of Rs 1,30,680 per acre only after a year. In our considered opinion, the view which has been taken in the impugned judgment is in consonance with the settled legal position. The High Court has taken into consideration all the relevant facts in granting compensation. The High Court was fully justified in giving due weightage to the fact that the sale deed of 1986 in respect of this very acquired land was available and the same ought to be the basis for determining the market value of the land.

8. The learned counsel for the respondent placed reliance on *Bangaru Narasingha Rao Naidu v. Revenue Divl. Officer* [(1980) 1 SCC 575]. In this case, this Court observed that 2026:UHC:4078 "the best evidence of the market value of the acquired land is afforded by transactions of sale in respect of the very acquired land..." (SCC p. 576, para 2)

9. In *Tehsildar Land Acquisition v. A. Mangala Gowri* [(1991) 4 SCC 218] this Court observed as under: (SCC pp. 218f- 219a) "The market value postulated in Section 23(1) of the Act is designed to award just and fair compensation for the lands acquired. The word 'market value' would postulate price of the land prevailing on the date of the publication of the notification under Section 4(1). The acid test that for determining the market value of the land is the price which a willing vendor might reasonably expect to obtain from a willing purchaser would form the basis to fix the market value. For ascertaining the market rate, the court can rely upon such transactions which would offer a reasonable basis to fix the price. The price paid in sale or purchase of the land acquired within a reasonable time from the date of the acquisition of the land in question would be the best piece of evidence. In its absence the price paid for a land possessing similar advantages to the land in the neighbourhood of the land acquired in or about the time of the notification would supply the data to assess the market value. But exclusion of bona fide and genuine sale transactions in respect of the same land under acquisition and to place reliance on the award of some other land is obviously illegal."

10. In *Periyar and Pareekanni Rubbers Ltd. v. State of Kerala* [(1991) 4 SCC 195], in para 10, this Court observed as under: (SCC p. 203) 2026:UHC:4078 "10. ... When the courts are called upon to fix the market value of the land in compulsory acquisition, the best evidence of the value of property is the sale of the acquired land to which the claimant himself is a party, in its absence the sales of the neighbouring lands. In proof of the sale transaction, the relationship of the parties to the transaction, the market conditions, the terms of the sale and the date of the sale are to be looked into. These features would be established by examining either the vendor or vendee and if they are not available, the attesting witnesses who have personal knowledge of the transaction, etc. The original sale deed or certified copy thereof should be tendered as evidence. The underlying principle to fix a fair market value with reference to comparable sales is to reduce the element of speculation. In a comparable sale the features are: (1) it must be within a reasonable time of the date of the notification; (2) it should be a bona fide transaction; (3) it should be a sale of the land acquired or land adjacent to the land acquired; and (4) it should possess similar advantages. These should be

established by adduction of material evidence by examining as stated above the parties to the sale or persons having personal knowledge of the sale transactions. The proof also would focus on the fact whether the transactions are genuine and bona fide transactions."

13. The facts of Dollar Co. v. Collector of Madras [(1975) 2 SCC 730] are identical to the facts of the instant case. The relevant portion of paras 5 and 6 reads as under: (SCC p.

731) "In determining the market value the main criterion is what a willing purchaser would pay a willing vendor. Ordinarily a party will be entitled to get the amount that he actually and 2026:UHC:4078 willingly paid for a particular property, provided the transaction be bona fide and entered into with due regard to the prevalent market conditions and is proximate in time to the relevant date under Section 23. The best evidence of the value of property is the sale of the very property to which the claimant is a party. If the sale is of a recent date, then all that need normally be proved is that the sale was between a willing purchaser and a willing seller, that there has not been any appreciable rise or fall since and that nothing has been done on the land during the short interval to raise its value. But if the sale was long ago, may be the Court would examine more recent sales of comparable lands as throwing better light on current land value. Such lands should be close by and not a mile-and-half away as one of the examples pressed here was. So, an actual transaction with respect to the specific land of recent date is a guide-book that courts may not neglect when called upon to pin the precise compensation."

19. While placing reliance upon the aforesaid judgments of the Hon'ble Supreme Court, the learned counsel for the appellant would submit that as far back as in the year 1994, the Hon'ble Supreme Court had laid down the law that the methods of valuation may be (1) opinion of the expert, (2) the price paid within a reasonable time in bona fide transactions of purchase of the lands acquired or the lands adjacent to the lands acquired and possessing similar advantages; and (3) a number of years purchase of the actual or immediately prospective profits of the lands acquired.

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20. Learned counsel for the appellant would further submit that in the case of Jawajee Nagnatham (supra), the Hon'ble Supreme Court has clearly held that Basic Valuation Register prepared and maintained for the purpose of collecting stamp duty has no statutory base or force. It cannot form a foundation to determine the market value mentioned thereunder in instrument brought for registration. Equally, it would not be a basis to determine the market value under Section 23 of the Act, of the lands acquired in that area or town or the locality or the taluk etc.

21. Learned counsel for the appellant would submit that the latest judgments of the Hon'ble Supreme Court have followed the said judgment rendered in the case of Jawajee Nagnatham (supra). In the case of "Krishi Utpadan Mandi Samiti (supra), the Hon'ble Supreme Court following the judgment in the case of Jawajee Nagnatham (supra) has held that the market value under Section 23 of the Act cannot be fixed on the basis of a Basic Valuation Register maintained by the registering authority for collection of stamp duty. Therefore, the reliance by the Reference Court on the values of land fixed by the District Magistrate for stamp duty purposes is clearly erroneous. For

the purposes of Land Acquisition Act, the market value must be determined on the basis of sale deeds of comparable lands.

22. Relying upon the judgment of New Okhla Industrial Development Authority (supra), learned counsel for 2026:UHC:4078 the appellant submits that sale exemplars reflecting the prices would be the market value.

23. Learned counsel for the appellant also while referring to the judgment of "Bharat Sanchar Nigam Limited"

(supra) would contend that the Hon'ble Supreme Court has been consistently following the judgment rendered in the case of Jawajee Nagnatham (supra) and in the judgment of "Bharat Sanchar Nigam Limited" of the year 2022 and it has again while relying upon the judgment of Jawajee Nagnatham (supra) has held that the market value of the land under Section 23 of the Act cannot be fixed on the basis of the rates mentioned in the Basic Valuation Register maintained for the purpose of collection of the stamp duty. The Reference Court determined the amount of compensation on the value of land fixed by the District Magistrate for stamp purposes and the same was erroneous. Thus, the learned counsel for the appellant would state that it is settled law that circle rates cannot form the basis for the determination of the market value and the Reference Court has clearly erred by relying upon the circle rate for determining the market value.

24. Learned counsel for the appellant has further relied upon the judgment of the Hon'ble Supreme Court in the case of "T. S. Ramachandra Shetty vs. Chairman, Karnataka Housing Board and Another", reported in (2009) 14 SCC 334 and has made a submission that the sale deed of the claimant/respondent herein was executed on 07.07.2003 and 2026:UHC:4078 under Section 4(1) of the Act, Notification was passed on 06.11.2004. In the case of "T. Rama Swamy" there was a difference of 16 months between the execution of the sale deed and the notification under Section 4(1) of the Act and in the case of "T. S. Ramachandra Shetty, there was a difference of 14 months and the case is identical on facts. In the said case of "T. S. Ramachandra Shetty" (supra), the Hon'ble Supreme Court has held that the sale deed of the acquired land would be the best determining factor for the purpose of fixing and arriving at the correct compensation.

25. Learned counsel for the appellant makes a further submission that the Reference Court by granting compensation at the rate of Rs.1,000 per square metre has, in fact, granted compensation about almost thrice over the price at which he had purchased the property in question in the year 2003.

26. On the basis of the aforesaid facts and circumstances and the case law cited on behalf of the learned counsel for the appellant, he would submit that the judgment of the Reference Court is based on the wrong assumption of determining the market value of the acquired land and thus the Reference Court has erred at arriving at the rate of compensation at the rate of Rs.1,000 and the impugned judgment and order of the Reference Court is, thus, clearly erroneous, it cannot be

sustained and deserves to be set- aside.

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27. Per contra, learned counsel for the respondent Mr. Hem Pujari would submit that the determination of the compensation on the basis of exemplar sale deed is only one of the methods of determining the compensation. He makes a submission that the other manner of determining the compensation would be on the basis of the circle rate of the land in question. He further submits that the compensation in no case can be less than the circle rate of the property in question.

28. Learned Counsel for the claimant/respondent would place reliance upon the judgment of this Court in the case of "Bhopenendra Singh and Ors. vs. Awas Vikas Parishad and Ors." MANU/UC/0270/2005 and placed reliance upon Para 7 of the said judgment, wherein it is held that the market value determined for the circle, is the minimum statutory market value, in accordance with the statutory rules framed under the Stamp Act. Para 7 of the aforesaid judgment is extracted hereunder for ready reference:-

"7. The learned Counsel for the Respondents strongly placed reliance on the judgment reported in MANU/SC/0745/1994 :

1994 4 S.C.C. 595 Jawajee Nagnatham v. Revenue Divisional Officer Aidalabad Andhra Pradesh as well as the judgment reported in MANU/SC/0030/2004 : 2004 2 S.C.C. 283 Krishi Utpadan Mandi Samiti Sehsawan Badayun v.

Vipin Kumar and Anr. They have further placed reliance on a judgment rendered by Allahabad High Court reported in MANU/UP/0019/2004 : 2004 (96) R.D. 368 Hajari Lal Sahu 2026:UHC:4078 v. State of U.P. In the two judgements while interpreting Section 3 reliance has been placed on the judgment rendered by Hon'ble Apex Court in Jawajee Nagnatham v. Revenue Divisional Officer Aidalabad Andhra Pradesh. In the said judgment the Hon'ble Apex Court has interpreted Section 47- A as applicable in Andhra Pradesh as to be the charging Section and has not taken into consideration the proviso of Section 3 of the Act and has proceeded on the basis that since the "Basic Valuation Register" having no statutory sanction cannot be read in evidence for enhancement of market value. The Apex Court observed that the Basic Valuation Register was prepared in the official capacity by the Revenue Department or its Registering Officer of Andhra Pradesh hence it cannot be determined as to be an evidence for calculation of the compensation under Section 23 of the Land Acquisition Act. As remarked in Para 5 of said judgment it seems that it was not brought to the knowledge/notice of the Apex Court that Section 47-A as applicable in Andhra Pradesh is not the same in State of U.P. Apart from it the proviso of Section 3 was also not considered because the fact that Section 47-A as applicable in Andhra Pradesh excludes Schedule I-B of the Act which includes Article 23 for the conveyancing prepared under Section 3 of the Act, hence the ratio propounded by the said judgment would not be applicable here in this case."

29. Learned counsel for the claimant/respondent would further submit that in the said judgment, it has been held that while awarding compensation for land acquired under the Land Acquisition Act,

the compensation cannot be 2026:UHC:4078 paid at a lesser rate than that of market value determined for the purpose of payment of stamp duty under the Stamp Act.

30. Learned counsel for the claimant/respondent would further draw the attention of the court to the circle rate of the area in question for the relevant period from 01.11.2003 (corrected from 02.12.2003) to 31.10.2005 for Tehsil Dehradun, as issued by the Collector, Dehradun, and serial 3 of the residential and commercial rate for Raipur Road - Sahastradhara Chowk to Sahastradhara Road up to Chhatri for a distance of 51 metres to 350 metres from the road. He further submits that the rate fixed by the Collector is Rs.2,000 per square metre.

While placing reliance upon the Uttar Pradesh Stamp (Valuation of property) Rules 1997, the Learned counsel for the claimant/respondent would submit that the area falling in between 51 metres to 350 metres on the Sahastradhara Road, has been thus categorized as residential area, and the Reference Court has rightly determined the compensation at the rate of Rs.2,000 per square metre.

31. Learned counsel for the appellant has also drawn the attention of the Court to the exemplar sale deeds, which pertain to the Village Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, which are sale deeds registered on 10.06.2004, and the same are for the residential areas and the circle rate is portrayed to be Rs.2000 per square metre 2026:UHC:4078 and on the basis of the same submits that the land of the claimant/respondent fell between 51 metres to 350 metres from the Sahastradhara Road and as such, the market value of the land has to be determined on the basis of the circle rate at the rate of Rs.2000 per square metre, and the Reference Court has, thus, rightly determined the compensation at the rate of Rs.2000 per square metre.

32. He would further submit that though the land was purchased by the claimant/respondent by virtue of a sale deed dated 07.07.2003, however, the circle rates having been revised on 02.12.2003 and the land of the claimant/respondent was declared to be a residential area and the circle rate of Rs.2000 per square metre was the minimum land value. There cannot be anything less than the minimum circle rate.

33. Learned counsel for the claimant/respondent would further draw the attention of the Court to a circle rate list issued on 31.10.2009 by the Additional District Magistrate, (Finance and Revenue), Dehradun and he would submit that for Gujrada Mansingh, Pargana Parwa Doon, District Dehradun, Khasra No.447-Kha would be situated between 50 metres to 350 metres and it has to be valued as at the rate of Rs.2000 per square metre.

34. Learned counsel for the claimant/respondent would further submit that the exemplar sale deed as has been 2026:UHC:4078 adopted by the SLAO, could not have been accepted and adopted as an exemplar sale deed because that particular sale deed was for an area which was beyond 350 metres from the main Sahastradhara Road and it would not truly reflect the market value and as such the SLAO has erred by determining the market value on the basis of the exemplar sale deed.

35. Learned the counsel for the claimant/respondent further submits that in the exemplar sale deed, there is no mention of the market value and no basis of the stamp duty paid. Thus, he would submit that it was not safe to rely upon the said sale deed and to treat it as an exemplar sale deed for the determination of the compensation to the claimant/respondent.

36. Learned counsel for the claimant/respondent would further draw the attention of the Court to para 43 of the judgement of the Hon'ble Supreme Court in the case of "New Okhla Industrial Development Authority" (supra) and has submitted that the principle of guesstimation can be applied based on the circle rate after granting a marginal increase over the same. Para 43 of the said judgment is being extracted hereunder for ready reference:-

"43. In order to further substantiate this estimation, we place our reliance on the decision rendered in *Krishan Kumar v. Union of India*,¹¹ where this Court acknowledged that while sale exemplars may not directly establish the 2026:UHC:4078 amount of compensation to be granted, compensation could be determined applying the principle of guesstimation, based on the circle rate after granting a marginal increase over the same."

37. Learned counsel for the claimant/respondent would also submit that the circle rate may not be the criteria but it is settled law that the circle rate is the minimum, market value for the determination of the compensation to be paid in the case of acquisition.

38. However, learned counsel for the appellant would make a further submission while referring to para 25 of the judgment in the case of "New Okhla Industrial Development Authority" (supra) that if the para 25 of this judgment is read in conjunction with the judgment of the Hon'ble Supreme Court in the cases of "*Periyar and Pareekanni Rubbers Ltd. v. State of Kerala*", (1991) 4 SCC 195 and "*T.S. Ramachandra Shetty*", (2009) 14 Supreme Court Cases 334, then the exemplar sale deed should have been the sale deed of the claimant/respondent himself.

39. Learned counsel for the appellant would submit that the circle rate would not be the minimum rate for the determination of compensation, rather it would be the rate at which the sale deeds are to be executed.

40. Relying upon paragraph 26 of the judgment of the Hon'ble Supreme Court in the case of "New Okhla Industrial 2026:UHC:4078 Development Authority" (supra), the learned counsel for the claimant/respondent would submit that sale deeds for smaller areas cannot form basis for the determination of compensation for the larger areas.

41. Learned counsel for the appellant would submit that in Para 26 itself, it has been held that there is no legal impediment against considering sale exemplars of smaller parcels of land, provided they are subjected to cuts or deductions.

42. Having heard the learned counsel for the parties at length and having considered the record & all the case laws as have been cited on behalf of the learned counsel for the parties, it is apparent that

while the SLAO has determined the compensation on the basis of exemplar sale deeds and has determined the compensation at the rate of Rs.13,79,611.36 paise per acre, the Reference Court has determined the compensation on the basis of the circle rate of the land treating it to be a residential area.

43. A bare perusal of the circle rate for the residential and commercial land for the period December 2003 to October 2005, it is writ large on record that the circle rate of Rs.2000 per square metres for the area falling between Sahastradhara Chowk to Sahastradhara Road up to Chhatri of Rs.2000 per square metre is for residential area and not for 2026:UHC:4078 agricultural area. The Reference Court appears to have tread on the premise that the acquired land is a residential land.

44. A bare perusal of the statement of PW-1 in the cross-examination, the claimant/respondent has stated that it is wrong to say that before acquisition, he was not doing cultivation on the acquired land. He also denied the suggestion that prior to purchasing the land, it was barren land.

45. A bare perusal of the sale deed of the claimant/respondent would reflect that it was purchased as an agriculture land, which is mentioned in the sale deed itself. Perusal of the sale deed of the claimant/respondent shows that in Serial No.9 on the first page of the sale deed, under the caption "Kind of Property" it has been mentioned as "agriculture land". There is nothing on record to indicate that the nature of the land has been changed from agriculture to non-agriculture by any order under Section 143 of the Uttar Pradesh Zamindari Abolition and Land Reforms Act (hereinafter referred to as U.P. Z.A. & L.R. Act). Since the property was purchased as an agricultural land and there is no declaration under Section 143 of the U.P. Z.A. and L.R. Act, hence, the land would be deemed to be agricultural land.

46. The reliance placed upon by the learned counsel for the claimant/respondent that in the circle rate, which was issued in the year 2003 by the Collector, Dehradun for the 2026:UHC:4078 area pertaining to Khasra No.447, the land in question has been categorized as residential area is absolutely erroneous and against the record. The Reference Court has fallen into error by treating the land in question as a residential area on a misreading of the documents on record. It is further revealed from record that the exemplar sale deed adopted by the SLAO to determine the market value of the acquired land is on the basis of the sale deed of the same village Gujrada Mansingh, Pargana Parwa Doon, District Dehradun and as such, the SLAO has not committed any error in determining the market value and the compensation on the basis of the exemplar sale deed.

47. It is also pertinent to mention that it has been the settled position of law right since the year 1994 when the Hon'ble Supreme Court in the case of Jawajee Nagnatham (supra), had held that the Basic Valuation Register prepared and maintained for the purpose of collecting the stamp duty has no statutory base or force and it would not be a basis to determine the market value under Section 23 of the Act. It is further relevant to point out that in the case of "Periyar" (Supra), the Hon'ble Supreme Court had clearly held that when the courts are called upon to fix the market value of the land in compulsory acquisition, the best evidence of the value of property is the sale of the acquired land to which the claimant himself is a party in its absence, the sales of the neighboring lands. In the present case, since the sale deed of 2026:UHC:4078 the property in question was just 16 months

prior to the Notification under Section 4 of the Act, hence that could have been one of the best exemplars to be adopted. However, the exemplars adopted for determining the compensation, bears a higher value than the sale deed of the claimant/respondent herein. Therefore, on this count too, the compensation as determined and assessed by the SLAO cannot be faulted with.

48. Thus, on all these counts, the Reference Court has grossly erred by enhancing the compensation as was determined by the SLAO and thus, the point for determination needs to be answered to the effect that the criteria adopted and the valuation/compensation as determined by the Reference Court was wrong and erroneous and cannot be sustained, and the valuation and the criteria as has been adopted by the SLAO for determining the compensation for the acquired land was the correct method, and the compensation determined and awarded by the SLAO deserves to be upheld. The instant first appeal thus deserves to be allowed.

49. The appeal is allowed. The impugned judgment and decree dated 13.12.2010 passed by the learned Additional District Judge, Dehradun in L.A. Case No.20 of 2006, titled as "Shri Avdhesh Chaudhary vs. Collector and Another" is, thus, set aside. The SLAO award dated 07.11.2005 is hereby upheld.

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50. Let the original records be transmitted to the court concerned.

(Siddhartha Sah, J.) 22.05.2026 Akash AKASH DN: c=IN, o=HIGH COURT OF UTTARAKHAND, 2.5.4.20=dae2472c001d56469ea76fc0caa68f48ef 73518c148d140566ab1e26f9cbe61d, postalCode=263001, st=Uttarakhand, serialNumber=27096a1625377537a487dee49224c891823fc6a0334628b21e516047ed4f22f7, cn=AKASH Date: 2026.05.29 17:15:50 +05'30'