IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

R/FIRST APPEAL NO. 172 of 2016
With
R/FIRST APPEAL NO. 173 of 2016
With
R/FIRST APPEAL NO. 174 of 2016

FOR APPROVAL AND SIGNATURE:

HONOURABLE MR. JUSTICE ILESH J. VORA

and
HONOURABLE MR. JUSTICE R. T. VACHHANI

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Approved for Reporting	Yes	No

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GENERAL MANAGER
Versus
PATEL GANDABHAI MULJIBHAI (SINCE DECEASED THROUGH HEIRS AND LEGAL REPRESENTATIVES) & ORS.

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Appearance:
MS KJ BRAHMBHATT(202) for the Appellant(s) No. 1
DECEASED LITIGANT THROUGH LEGAL HEIRS/ REPRESTENTATIVES for the Defendant(s) No. 1
MS SURBHI S. BHATI, AGP for the Defendant(s) No. 2

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CORAM:**HONOURABLE MR. JUSTICE ILESH J. VORA**
and
HONOURABLE MR. JUSTICE R. T. VACHHANI

Date : 31/08/2026

COMMON ORAL JUDGMENT

(PER : HONOURABLE MR. JUSTICE R. T. VACHHANI)

1. These First Appeals have been preferred under Section 54 of the Land Acquisition Act, 1894, read with Section 96 of the Code of

Civil Procedure, 1908, by the appellants Special Land Acquisition Officer and the Acquiring Authority challenging the judgment and award dated 13/02/2014, passed by the learned Principal Senior Civil Judge, Kadi, District Mehsana, in Land Acquisition Reference (L.A.R.) No. 960 to 962 of 2013. By the impugned judgment and award, the learned Reference Court partly allowed the reference application filed by the respondent-claimants, enhancing the compensation for the acquired agricultural land from Rs.39.00 per square meter, as originally awarded by the Special Land Acquisition Officer, to Rs.298.00 per square meter. Aggrieved by this enhancement of Rs.259.00 per square meter along with the statutory benefits and interest, the appellants have approached this Court seeking to quash and set aside the judgment of the learned Reference Court.

2. The essential facts necessary for the disposal of the present appeals are summarized as under:

2.1 The State Government initiated acquisition proceedings for lands situated at Moje Nanikadi, Taluka Kadi, District Mehsana, for a public purpose. The preliminary notification under Section 4 of the Land Acquisition Act, 1894, was published on 28/04/2009. Following the statutory procedure under the Act, the Special Land Acquisition Officer declared the award, determining the market value of the acquired agricultural land at Rs.39.00 per square meter. Dissatisfied with the compensation awarded by the Special Land Acquisition Officer, which the landowners deemed grossly inadequate, the respondent-claimants submitted a reference under Section 18 of the Land Acquisition Act before the Collector, who referred the matter to the Civil Court, Kadi, where it was registered as L.A.R. No. 960 of 2013.

3. Before the learned Reference Court, the claimants contended that the land possessed high potentiality due to its close proximity to Kadi town and industrial developments. Neither party produced direct registered sale exemplars of immediate adjacent agricultural lands. However, reliance was placed on Exhibit 22, the official proceedings of the District Valuation Committee meeting held for lands in the same village. As per Exh. 22, the Town Planner, Mehsana, had initially opined the rate of land to be Rs.330.00 per square meter. The District Valuation Committee, considering the rapid urbanization and proximity of Nanikadi to Kadi town, determined the market rate for non-agricultural land at Rs.600.00 per square meter as of 22/11/2006.

4. The learned Principal Senior Civil Judge, Kadi, applied a 30% reduction to convert non-agricultural rates to agricultural rates, and a further 30% reduction (totaling a 60% deduction) considering the location relative to the main town. This yielded a baseline price of Rs.240.00 per square meter as of 22/11/2006. Accounting for the gap of 2 years and 5 months between the committee's valuation and the Section 4 notification (28/04/2009), the court granted an annual price rise of 10% per annum (Rs.58.00 per square meter), determining the total market value at Rs.298.00 per square meter. Deducting the initial rate of Rs.39.00 paid by the SLAO, the Reference Court awarded an additional compensation of Rs.259.00 per square meter together with statutory benefits.

5. The Learned Advocate appearing on behalf of the appellants has assailed the judgment of the learned Reference Court on the following grounds:

5.1 The learned Reference Court committed a serious error by relying solely on Exh. 22 (the District Valuation Committee Report) in the absence of registered sale deeds or base exemplars of the immediate vicinity. It was contended that valuation reports prepared for granting non-agricultural permission under Section 43 of the Tenancy Act cannot form the sole evidentiary base under the Land Acquisition Act.

5.2 The court below failed to appreciate that judgments regarding nearby lands of the same village produced at Exh. 13 and 14 were available and ought to have been treated as the best evidence for fixing compensation.

5.3 The enhancement from Rs.39.00 to Rs.298.00 per square meter is exorbitant, excessive, and arbitrary, unsupported by concrete evidence of actual sale transactions in the village.

5.4 Relying on an earlier decision of the Hon'ble Supreme Court pertaining to the same village wherein compensation was affirmed at Rs.124.00 per square meter, the Learned Advocate submitted that applying a standard 10% cumulative increase over a period of 10 years would at best bring the rate to approximately Rs.200.00 per square meter. Therefore, adopting a base rate of Rs.240.00 derived from the committee report is unjustifiable.

5.5 In support of her contentions, the Learned Advocate for the appellants has placed reliance on the following decisions:

1. ***Mehrawal Khewaji Trust (Regd.), Faridkot and Ors. v. State of Punjab and Ors., reported in 2012 (2) G.L.H. 318 (Civil Appeal No. 4005 of 2012)***;

2. Judgment of this Hon'ble Court passed in ***First Appeal No. 114 of 2010 dated 01/08/2025***;

3. Judgment of this Hon'ble Court passed in ***First Appeal***

No. 2412 of 2010 dated 23/06/2025; and

4. ***Shivlal Keshavlal Shah v. Additional Special Land Acquisition Officer***, passed by this Hon'ble Court in ***First Appeal No. 745 of 1960 on 02/11/1966***.

6. Per contra, the learned counsel appearing on behalf of the respondent-claimants supported the findings of the learned Reference Court and submitted as under:

6.1 Neither party had produced direct registered sale exemplars of similar agricultural lands before the Reference Court. Raising an objection at the appellate stage regarding the lack of sale deeds without placing alternative material before the trial court is an afterthought.

6.2 In the absence of primary sale exemplars, the official report of the District Valuation Committee report at Exh.22 serves as an objective, fair, and reliable basis for determining prevailing market rates.

6.3 Addressing the appellant's reliance on the Supreme Court judgment of Rs.124.00 per square meter, the valuation fixed by the District Valuation Committee represents a subsequent development post that decision. During the interregnum period between the earlier judicial determinations and the Section 4 notification of the present acquisition, extensive development took place around Kadi town and Nanikadi, which cannot be ignored.

6.4 The Reference Court took a realistic approach by applying a substantial overall deduction of 60% on the committee's non-agricultural rate to arrive at a reasonable agricultural land value.

6.5 In support of the submission that the District Valuation

Committee report constitutes a valid and reliable evidentiary basis for determining market value, the learned counsel for the respondent placed reliance on the decision of this Court in ***State of Gujarat Through Spl. Land Acquisition Officer v. Amaji Mohanji Thakore, reported in 2010 (3) GLH 447***, wherein it has been held as under:

> *"25. ...Be it noted that the Collector has to exercise the power subject to general orders of the State Government for the mode and manner of fixation of the valuation and the Collector, therefore, while fixing the market price has to take into consideration the view of an expert body, which is the Valuation Committee and thereafter to take final decision.*
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> *....At the time when the premium is to be fixed the market price of the land is to be ascertained by the Valuation Committee of the Government and the opinion is to be considered by the Collector of the valuation made. Therefore, it is not possible for us to accept the contention of the learned Addl. Government Pleader that the valuation made by the Valuation Committee of the Government of the nearby land for the purpose of allotment of the land to any citizen by the Collector cannot be taken into consideration by the Reference Court...."*
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> *"27. Learned counsel further highlighted the reference made therein to the Hon'ble Supreme Court judgment in* ***Lal Chand v. Union of India****, reported in* ***(2009) 15 SCC 769****, wherein Paragraph 44 reads as under:*
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> *"44. One of the recognised methods for determination of market value is with reference to the opinion of experts. The estimation of market value by such statutorily constituted Expert Committee, as expert evidence can therefore form the basis for determining the market value in land acquisition cases, as a relevant piece of evidence. It will be however open to either party to place evidence to dislodge the presumption that may flow from such guideline market value. We, however, hasten to add that the guideline market value can be a relevant piece of evidence only if they are*

> *assessed by the statutorily appointed Expert Committees, in accordance with the prescribed procedure.*"

7. We have given our thoughtful consideration to the rival submissions advanced by the learned counsel for both sides, and we have carefully perused the Trial court record and impugned judgment. On the Use of the District Valuation Committee Report at Exh.22, the primary contention of the appellant is that the Reference Court erred in determining market value based on Exh.22 without relying on sale deeds. When direct sale exemplars are not available on record, judicial precedents authorize courts to look at official governmental valuations and expert assessment reports. The District Valuation Committee consists of official experts, including the Town Planner, who assess local commercial potential and real estate growth.

7.1 In the present case, the report at Exh. 22 reflects a thorough consideration of the geographical proximity of Moje Nanikadi to the urban center of Kadi town. The reliance placed by the learned counsel for the respondent on ***State of Gujarat v. Amaji Mohanji Thakore (supra) and Lal Chand v. Union of India (supra)*** squarely applies to the facts at hand, as the report of a statutorily constituted Valuation Committee serves as an expert opinion and an admissible piece of evidence to fix market value in the absence of registered sale deeds.

7.2 The decisions relied upon by the Learned Advocate for the appellants do not assist the appellants, as no contrary material or base exemplars were produced by the acquiring authority to dislodge the valuation arrived at in Exh. 22. In the absence of counter-material from the acquiring authority, the learned Reference Court was fully justified in accepting Exh. 22 as a reliable foundation.

7.3 On the Deductions and Valuation Methodology, the District Valuation Committee assessed the market value of non-agricultural land in the locality at Rs.600.00 per square meter as of 22/11/2006. Recognizing that the acquired land was agricultural, the learned Reference Court applied a 30% deduction to convert non-agricultural value to agricultural value, and an additional 30% deduction toward location/developmental parameters relative to Kadi town. By applying a cumulative deduction of 60%, the Reference Court arrived at Rs.240.00 per square meter as of 22/11/2006. This 60% reduction is substantial and sufficiently protects against any risk of overestimation.

7.4 On the Annual Escalation is between the baseline date of the valuation report (22/11/2006) and the date of the Section 4 notification (28/04/2009), there is a gap of 2 years and 5 months. The grant of an annual 10% price rise is well supported by the precedent laid down by this Court in *Special Land Acquisition Officer v. Nurjahan Amirali Sayyad [G.H.J. (2010) 25, p. 479*]. Adding Rs.58.00 per square meter (10% per annum for 2 years 5 months) to the base price of Rs.240.00 yields Rs.298.00 per square meter.

7.5 On the Interregnum Development and Old Base Rates the argument of the appellant that the compensation should be capped at around Rs.200.00 per square meter based on an older Supreme Court judgment (which affirmed a rate of Rs.124.00 per square meter from a decade prior) cannot be accepted. During the interregnum period between the earlier acquisition and the present proceedings, vast infrastructure and commercial expansion took place in the vicinity of Kadi town. This rapid urbanization is a ground reality that cannot be given a go by. The District Valuation Committee's report reflects these subsequent developments, making it a far superior baseline than a judicial award as relied upon by the appellant.

7.5 The reliance placed on Exh. 22 by the Reference Court is legal, sound, and proper. The total deduction of 60% applied to convert non-agricultural land values to agricultural rates is equitable and realistic. The addition of a 10% annual escalation for the 2 year 5 month gap aligns with settled legal principles. The final enhancement of Rs.259.00 per square meter (Rs.298.00 total market value minus Rs.39.00 paid by Special Land Acquisition Officer is just, fair, and reasonable.

8. In view of the detailed discussion, reasoning, and findings above, we find no error, illegality, or perversity in the impugned judgment and award dated 13/02/2014 passed by the learned Principal Senior Civil Judge, Kadi, in (L.A.R.) No. 960 to 962 of 2013.

9. The present First Appeals are devoid of merit and deserve to be dismissed. The First Appeals are hereby dismissed. Record and Proceedings, if any, be sent back to the trial court forthwith.

(ILESH J. VORA,J)

(R. T. VACHHANI, J)

Kaushal Rathod / sompura