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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

RFA No. 2537 of 1997 (O&M)

Date of decision: 30.10.2025

Gulab Singh (deceased) through LR's and others

...Appellants

Versus

State of Haryana and others

...Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Bhupinder Singh Bairagi, Advocate
for the appellants.

Mr. Abhinash Jain, Deputy Advocate General, Haryana
for the respondents.

HARKESH MANUJA, J. (ORAL)

CM-4341-CI-1997

Prayer in the present application, filed under Order 41 Rule 27 read with Section 151 of CPC, moved by the applicants-appellants/landowners, is for seeking permission to lead additional evidence in the shape of copy of letter/communication dated 19.09.1997 written/issued by the Executive Engineer, Karnal Provincial Division No. 1, PWD (B&R), Karnal, appended as Annexure A-1.

This Court, vide order dated 10.02.1998, admitted the main appeal while issuing notice of the instant application.

I have heard learned counsel for the parties.

The aforesaid letter dated 19.09.1997 has been sought to be produced by way of additional evidence so as to profess that the possession of land in question was taken over by the respondents in the year 1973 and thus they were entitled for interest on market value from the said date. However, a perusal of the reference petition filed under Section 18 of the Land Acquisition Act, 1894 at the hands of appellants shows that no such pleadings were made therein. In the absence thereof, the applicants-appellants cannot be permitted to lead any evidence beyond their own pleadings.

Resultantly, the present application being devoid of merits is hereby **dismissed**.

MAIN CASE

[1] By way of present appeal, challenge has been laid to an award dated 26.07.1997 passed by the Court of learned Additional District Judge, Karnal (**hereinafter referred to as “Reference Court”**), whereby a reference petition filed under Section 18 of the Land Acquisition Act, 1894 (**hereinafter referred to as ‘1894 Act’**) preferred at the instance of appellants-landowners, was dismissed.

FACTS

[2] Briefly stating, some land owned by the appellants-landowners, situated within the revenue estate of Village Har Singhpura, District Karnal, came to be acquired vide Notifications dated 02.02.1993 & 20.12.1993 issued under Sections 4 & 6 respectively of the 1894 Act, for the public purpose, namely, “construction of Panipat Barsat Road to Village Har Singhpura”. An Award No. 179/1996 under Section 11 of the 1894 Act was passed

by the Land Acquisition Collector, Karnal (**for short "LAC"**), whereby the market value was assessed at Rs.1,30,000/- per acre for Chahi land besides awarding statutory benefits.

[3] Dissatisfied with the aforesaid Award, landowners / interested persons filed objections under Section 18 of the Act of 1894, which were dismissed on 26.07.1997 by the learned Reference Court, while affirming the award passed by the LAC. Hence, the present appeal.

CONTENTION(S):

ON BEHALF OF THE APPELLANT(S)-LANDOWNER(S)

[4] Learned counsel for the appellants submits that learned Reference Court went wrong while discarding the sale instance Ex. P-1 dated 10.12.1992 which pertained to the same revenue estate of Village Har Singhpura, whereby 2 kanals of land for a sum of Rs.80,000/- was alienated and the market value per acre was Rs.3,20,000/-. He thus submits that in the wake of the aforesaid sale exemplar Ex. P-1, the market value was required to be enhanced.

Learned counsel also points out that as per the cross-examination of RW-1 / Sh. Lakhi Ram. S.D.E. PWD (B&R), Karnal, the possession of the land in question was taken over by the respondents in the year 1991 and thus, the appellants was entitled for interest at the rate of 12% in terms of Section 23 (1-A) of the 1894 Act from the year 1991 till 02.02.1993 i.e. the date of notification issued under Section 4 of the Act in hand.

No other point has been raised.

ON BEHALF OF THE RESPONDENT(S)-STATE OF HARYANA

[5] Learned counsel appearing on behalf of the respondents-State of Haryana submits that the appellants-landowners were awarded sufficient compensation by the LAC and thus, the impugned award calls for no interference. He also points out that as per the sale consideration reflected from the sale instances Exhibits R-1 & R-2, the market value of the acquired land was around Rs. 60,000-65,000/- per acre, whereas vide award passed by the LAC, the appellants-landowners were awarded more than the same and thus, the present appeal is liable to be dismissed.

DISCUSSION AND REASONING

[6] After hearing learned counsel for the parties and gone through the relevant record/paper-book, I find substance in the submission(s) made on behalf of the appellants.

[7] A perusal of the record shows that the sale instance Exhibit P-1 which has been produced on record by the appellants-landowners pertains to 2 kanals of land forming part of the same revenue estate of Village Har Singhpura against sale consideration of Rs. 80,000/-. As per the said sale deed, price of the land comes to Rs.3,20,000/- per acre. Considering the fact that the total land under acquisition in the case in hand is only 2 kanals 10 marlas, as such the land forming part of the sale instance Ex. P-1 measuring 2 kanals upon a comparative analysis, cannot be said to be of small parcel of land; thus, in the humble opinion of this Court, the learned Reference Court went wrong while having discarded the said sale instance for the purpose of re-assessment of market value. In the wake of the

aforesaid discussion, the sale exemplar (Ex. P-1), in the absence of there being any evidence been brought on record from the side of respondents that the same was not a *bona fide* or genuine sale transaction, needs to be relied upon for the purpose of determination of market value.

[8] Furthermore, in the wake of settled position of law laid down by the Hon'ble Apex Court in case of “***Hormal (Deceased) through his LRs and others Versus State of Haryana and others***”, reported as 2024 (4) RCR (Civil) 758, the highest of the sale instance needs to be taken into account for the purpose of determination of market value, as such, no merit can be found in the submission(s) made on behalf of the respondents-State of Haryana, so as to place reliance upon the sale instances Exhibits R-1 and R-2, vide which the sale price comes to Rs. 60,000-65,000/- per acre. Relevant para Nos. 27 to 29 from the decision passed in case of ***Hormal (supra)***, are extracted hereunder:-

“ 27. In the instant case, there are multiple sale deeds of smaller plots, and these represent the best available evidence for estimating compensation. Since there is no legal impediment to considering such sale deeds, the logical progression in the compensation estimation process would be to identify the most suitable sale deed(s) for determining the market value and subsequently, to apply adequate deductions on the same. The solution to this state of flux may thus be found in the case of ***Mehrawal Khewaji Trust v. State of Punjab, (2012) 5 SCC 432*** where this Court laid down as follows:

“...It is clear that when there are several exemplars with reference to similar lands, it is the general rule that the highest of the exemplars, if it is satisfied that it

is a bona fide transaction, has to be considered and accepted. When the land is being compulsorily taken away from a person, he is entitled to the highest value which similar land in the locality is shown to have fetched in a bona fide transaction entered into between a willing purchaser and a willing seller near about the time of the acquisition."

[Emphasis supplied]

28. This view has been reiterated in **Sh. Himmat Singh v. State of M.P., (2013) 16 SCC 392** where a three-judge bench of this Court consolidated various precedents to affirm that in circumstances where there are multiple sale deeds available for consideration, the Court shall rely on the highest valued exemplars unless the prices fall within a narrow range, in which case calculating an average of the values therein may be more congruous.

29. In these extenuating circumstances, there exists significant disparity among the sale exemplars presently under consideration. Amongst these sale exemplars, being Ex. P2-P8 and Ex. P10, the highest sale instance values the land at Rupees 1,81,33,867 per acre, whereas the lowest values it at Rupees 16,94,000 per acre. Given this wide range and in light of the judicial precedents cited above, we are of the opinion that we should rely upon the highest sale exemplar, which is Ex. P5, rather than solely depending upon an average of the multiple sale deeds produced before us. Despite the Respondents' vehement contention that Ex. P5 should not be relied upon owing to it being a significantly smaller parcel of land- the detailed analysis conducted above indicates no reason why Ex. P5 cannot be utilised to determine the amount of compensation to be awarded to the Appellants for the acquired land."

[9] Moreover, the acquisition in the present case has been for the public purpose for construction of Panipat Barsat Road to Village Har Singhpura, thus neither the respondents suffered any loss of land nor they incurred any cost towards development of additional infrastructural amenities in the shape of parks, open spaces or other community buildings. In such circumstances, at best, the market value in the present case as on the date of notification under Section 4 of the 1894 Act could be derived from the sale price of Ex. P-1 and accordingly, is determined at the rate of Rs. 3,20,000/- per acre.

[10] As regards the claim made by the appellants-landowners with respect to the interest from the year 1991 till 02.02.1993 i.e. the date of notification under Section 4 of the 1894 Act in the case in hand, the said claim is based on the deposition made by the respondents' witness i.e. RW-1 / Sh. Lakhi Ram, S.D.E., PWD (B&R), Karnal, who went on to depose in his cross-examination that the possession of the land in question was taken over in the year 1991. Although, no specific date or month of the year 1991 has come in the deposition of RW-1, still once the possession of the land in question was admittedly taken over by the respondents in the year 1991, it would be just, fair and equitable to award the benefit of 12% interest statutorily payable to the landowners in terms of Section 23 (1-A) of the 1894 Act, for, at least, with effect from 31.12.1991 till 02.02.1993.

DECISION

[11] In the light of above, Award dated 26.07.1997 passed by the Reference Court is hereby modified. The landowners are held entitled to the market value as assessed above, i.e. Rs.3,20,000/- per

acre alongwith consequential / statutory benefits and interest as provided in the 1894 Act (as amended up-to-date), especially the interest on solatium as well.

[12] Disposed off accordingly.

[13]Also, wherever the landowner(s) has/have unfortunately died in the appeal(s) / cross-objection(s) after filing thereof and the legal representatives have not been impleaded, they shall be at liberty to seek execution of the present decision by moving appropriate application(s) before the learned Executing Court.

[14]Pending miscellaneous application(s), if any, shall also stand disposed off.

October 30, 2025
‘dk kamra’

(HARKESH MANUJA)
JUDGE

Whether Speaking / Reasoned :	Yes	No
Whether Reportable :	Yes	No