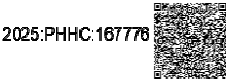


RFA Nos.2332 of 1999 (O&M) with other connected cases



IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

114

1.

RFA No.2332 of 1999 (O&M)
Date of Decision: 02.12.2025

LAKHVIR SINGH

.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
2.

RFA No.2333 of 1999 (O&M)

SARDARA SINGH

.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
3.

RFA No.2334 of 1999 (O&M)

SHER SINGH

.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
4.

RFA No.2335 of 1999 (O&M)

HAKAM SINGH AND ANR.

.....Appellants
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
5.

RFA No.2336 of 1999 (O&M)

RANJIT KAUR

.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
6.

RFA No.2337 of 1999 (O&M)

PAHARA SINGH

.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)
7.

RFA No.2338 of 1999 (O&M)

INDER SINGH

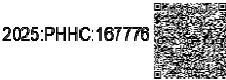
.....Appellant
- Vs
- THE STATE OF PUNJAB AND ORS

...Respondent(s)

CORAM: *HON'BLE MR. JUSTICE HARKESH MANUJA*

Present: Mr. P.S. Brar, Advocate
for the appellant(s)/landowner(s).

Mr. Gunjan Mehta, Addl. A.G., Punjab.



HARKESH MANUJA, J. (Oral)

[1]. Vide this common order, the aforementioned Regular First Appeals are being decided as all the same have arisen out of common acquisition/Award involving identical facts and question of law. For the sake of brevity, facts are being taken from RFA No.2332 of 1999.

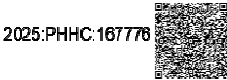
[2]. By way of present appeal(s), challenge has been laid to the Award dated 17.02.1999 passed by the learned Addl. District Judge, Faridkot (hereinafter to be referred as the ‘Reference Court’), whereby Reference Petition filed under Section 18 of the Land Acquisition Act, 1894 (for short ‘the 1894 Act’) at the instance of the landowners was partly allowed while granting the benefit of enhanced market value @ Rs.42,000/- per acre for the claimants/landowners of village Begguwala and Rs.50,000/- per acre for the claimants/landowners of village Golewala land besides award of statutory benefits/interest as provided under the 1894 Act. Appellants/landowners were also held entitled for compensation qua severance of land.

[3]. Briefly stating, in the present case(s), certain land owned by the appellants/landowners situated within the revenue estate of villages Bagguwala and Golewala, District Faridkot, came to be acquired vide Notifications dated 31.05.1988 and 28.11.1988 issued under Sections 4 & 6 of the 1894 Act respectively for the public purpose namely for construction of drain, followed by an Award passed by the Land Acquisition Collector (for short ‘the LAC’) on 04.11.1992, thereby determining the market value of the acquired land as under:-

“For village Bagguwala

Kind of land	Rate
Nehri	Rs.18700/- per acre

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Chahi	Rs.18100/- per acre
Barani	Rs.10800/- per acre
Banjar Kadim	Rs.8000/- per acre
Gair Mumkin	Rs.8500/- per acre

For village Golewala

Nehri	Rs.35200/- per acre
Barani	Rs.17300/- per acre
Gair Mumkin	Rs.8500/- per acre”

[4]. Aggrieved thereof, the appellant(s)-landowners invoked Reference under Section 18 of the 1894 Act, which came to be partly allowed by the learned Reference Court vide its award dated 17.02.1999, while granting the benefit of enhanced market value @ Rs.42,000/- per acre for the claimants/landowners of village Begguwala and Rs.50,000/- per acre for the claimants/landowners of village Golewala *qua* the acquired land besides award of statutory benefits/interest as provided under the 1894 Act. Appellants/landowners were also held entitled for compensation *qua* severance of land.

Dis-satisfied with the Award passed by the learned Reference Court, the present appeals were preferred at the instance of landowners.

[5]. Impugning the aforesaid Award, learned counsel for the appellants/landowners has made the following submissions:-

(a) That the learned Reference Court went wrong while taking average of the two sale instances dated 26.03.1981 (Ex.A-1) vide which 4K of land was transferred @ Rs.32,000/- per acre and 15.09.1982 (Ex.A-3) vide which 4K-10M was transferred @ Rs.52,000/- per acre for the parcels forming part of the same revenue estate of village Bagguwala whereas, in fact the sale deed with highest sale price was required to be taken into account.



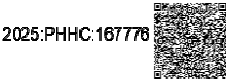
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(b) That for the time gap between the sale deed dated 15.09.1982 (Ex.A3) upto the date of notification issued under Section 4 of the 1894 Act in the present case(s) i.e. 31.05.1988, an appreciation @ 12% per annum was required to be applied over the base price derived from the sale deed dated 15.09.1982 (Ex.A-3).

(c) That though the possession of the land in question was taken over by the respondents from the appellant(s)/landowner(s) on 31.07.1982, however no interest was awarded by the learned Reference Court in favour of the appellant(s)/landowner(s) from the date of taking over of the possession on 31.07.1982 till the date of issuance of Notification under Section 4 of the 1894 Act on 31.05.1988.

(d) That in the given case the land was acquired for the public purpose namely for construction of drain and there was sufficient evidence on record that the land holdings of the appellant(s) got bifurcated thereby causing loss of irrigation facilities and passage etc., besides diminishing the value of the remaining land holding. It has also been submitted though that the learned Reference Court granted Rs.2000/- per acre of each khasra number of land on account of severance, however, the same was too meager and as such was required to be enhanced.

In view aforesaid submissions, learned counsel submits that the Award passed by the learned Reference Court was required to be modified thereby



enhancing the market value as well as damages on account of severance of land and interest etc.

[6]. On the other hand, learned State counsel submits that a well-reasoned and justified Award had been passed by the learned Reference Court upon appreciation of the pleadings and the evidence available on record which, thus calls for no interference and, thus prays for dismissal of the appeal(s) preferred at the instance of the appellant(s)/landowner(s).

[7]. I have heard learned counsel for the parties and gone through the paper book as well as records of the case(s). I find substance in the submissions made on behalf of the appellant(s)/landowner(s).

[8]. A perusal of the record shows that the following sale deeds were produced on record by the appellant(s)/landowner(s) for the purpose of claiming the higher market value:-

Exhibit Sale Deeds	Date of Execution	Area	Sale consideration	Village
Ex.A-1	26.03.1981	4 Kanal	16,000/- (32,000/- per acre approx.)	Bagguwala
Ex.A-3	15.09.1982	4K-10M	29,250/- (52,000/- per acre approx.)	Bagguwala

[9]. From the above, it is clear that the sale deed dated 15.09.1982 (Ex.A-3) which related to 4K-10M formed part of the revenue estate of village Bagguwala. The alienation was made @ Rs.52,000/- per acre. In view of the law laid down by the Hon’ble Apex Court in the case of Horrmal Vs. State of Haryana, reported as ‘2024(4) R.C.R. (Civil) 758’, as per which the highest valued sale



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exemplar needs to be relied upon while assessing the market value in compulsory land acquisition cases, as the sale deed dated 15.09.1982 (Ex.A-3) was required to be relied upon for determination of market value in the case in hand. Relevant paragraph Nos.27 and 28 thereof 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.”

*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.”*

[10]. Moreover, considering the fact that there has been a time gap of almost 05 years and 08 months between the date of sale exemplar dated 15.09.1982 (Ex.A-3) and the date of issuance of notification under Section 4 of the 1894 Act in the present case(s) i.e. 31.05.1988, thus, an appreciation @ 8% per annum needs to



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be granted in the given facts over the base price per acre derived from the said sale instance (Ex.A-3). Further, taking into the fact that the sale exemplar dated 15.09.1982 (Ex.A-3) pertains to 4K-10M of land, as such in the given facts no cut is required to be imposed towards smallness of area involved therein. Furthermore, since the acquisition in the case(s) in hand has been carried out for the public purpose, namely, for the construction of drain and as such the respondents did not suffer any loss towards optimum utilization of the area acquired and also did not incur expenditure towards providing of additional infrastructural amenities like parks, green belts, roads and community buildings etc., no cut towards development costs needs to be imposed.

[11]. In the wake of the aforesaid discussion and for the reasons recorded hereinabove while placing reliance upon the sale exemplar dated 15.09.1982 (Ex.A-3) and by granting appreciation @ 8% per annum for the time gap between the date of aforementioned sale exemplar and the date of issuance of Notification under Section 4 of the 1894 Act (i.e. 05 years and 08 months), the market value per acre in the present case(s) is assessed @ Rs.80,506.50 which is rounded off to Rs.80,507/- per acre. In addition, the landowner(s) shall also be entitled for award of all other statutory benefits and interest as provided under the provisions of the 1894 Act (amended upto date). The landowner(s) shall also be entitled for solatium @ 30% besides award of interest thereupon as well.

[12]. Moreover, with respect to the claim qua non-payment of interest on account of possession been taken on 31.07.1982, it is noticed from the evidence available on record in the form of deposition made by RW-1 Gurmit Singh, SDO, Drainage, Sub Division, Ferozepur, it was established on record that the possession



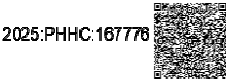
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of the land under acquisition was taken over from the appellant(s)/landowner(s) on 31.07.1982, whereas the notification under Section 4 of the 1894 Act in the present case(s) was issued on 31.05.1988, followed by an Award passed by the LAC on 04.11.1992, in such circumstances, the appellant(s)/landowner(s) are also entitled for award of interest @ 12% per annum on the market value as assessed by this Court, for the period from taking over of possession of the land upto the date of issuance of notification under Section 4 of the 1894 Act in terms of Section 23(1)(A) of the 1894 Act.

[13]. Besides it, on the issue of award of damages towards severance of land in favour of the appellant(s)/landowner(s), it is observed that once a positive finding of fact was recorded by the learned Reference Court to the effect that the land holdings of the appellant(s)/landowner(s) under acquisition was bifurcated as an effect of acquisition in hand and the said finding was not assailed by the respondents either by way of filing any appeal or cross-objections, rather than awarding mere Rs.2000/- per acre, suitable compensation towards severance of land was required to be granted. In fact the, severance also causes reduction in value of remaining land due to alteration in access, usability, irregularity of shape and loss of agricultural viability etc., thus, it would be appropriate to award damages against severance of land in favour of the landowners @ 20% of the market value as assessed by this Court.

[14]. Accordingly, in view of the discussion made herein above, all the appeals preferred at the instance of appellant(s)/landowner(s) are hereby partly allowed in the aforesaid terms.

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[15]. Wherever the landowner(s) has/have unfortunately expired in the appeal(s)/cross-objection(s) after filing thereof and the legal heirs 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.

[16]. All pending application(s), if any, shall also stand disposed of.

December 02, 2025	(HARKESH MANUJA)
Atik	JUDGE
Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No