2025:PHHC:169496

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

RFA-1792-2004 (O&M)
and other connected cases
Decided on:-02.12.2025

Amrit Bala and others ….Appellants.

vs.

State of Haryana and others ….Respondents.

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Ashok Kumar Verma, Advocate
for the appellants-landowners (in RFA-1792-2004) and
for the respondents-landowners (in RFA-1535-2004).

Mr. S.K. Jain, Advocate,
Mr. Deepak Kumar Jain, Advocate and
Mr. Akshay Jain, Advocate for the appellants-landowners
(in RFA-1382, 1383, 1384 of 2004) and
for the respondents-landowners
(in RFA-1533, 1534, 1536 of 2004).

Mr. Abhinash Jain, DAG, Haryana.

Mr. P.S. Saini, Advocate and
Mr. Deepak Singh Saini, Advocate
for respondent No.2-HVPSN.

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<u>**HARKESH MANUJA J. (Oral)**</u>

1. This common judgment shall dispose of batch of 08 connected Regular First Appeals, details whereof are given at the foot of the judgment, as they all involve common question of law and facts.

1.1 For convenience, the facts are being taken from ***RFA-1792-2004 (O&M).***

2. By way of present appeal, challenge has been laid to an Award dated 15.03.2004 passed by the learned Additional District Judge, Sirsa (for short, "Reference Court"), whereby, reference petition(s) preferred at the instance of landowners invoking Section 18 of the Land Acquisition Act, 1894 (for brevity, ***"1894 Act"***), were partly accepted.

3. Brief facts of the case are that some land owned by the appellants-landowners, situated in the revenue estate of village Rania, came to be acquired vide notifications dated 01.02.2001 and 17.07.2001, published under Sections 4 and 6, respectively, of the Land Acquisition Act, 1894 (for short, "the 1894 Act"), for the public purpose namely, for construction of 220 K.V. Sub Station Rania. The Land Acquisition Collector vide its Award dated 22.11.2001, assessed the market value of the acquired land at the rate of Rs.2 lakhs per acre.

4. Aggrieved of the award passed by the Land Acquisition Collector, appellant(s)-landowner(s) preferred reference petition(s) under Section 18 of the 1894 Act, seeking enhancement of compensation. Upon consideration of the material available on record, the learned Reference Court vide its award dated 15.03.2004, enhanced the market value @ Rs.2.5 lakhs per acre.

5. Feeling dissatisfied with the aforesaid decision of the learned Reference Court, the landowners as well as State preferred their appeals, details whereof are given at the bottom of the judgment.

6. Impugning the aforementioned award, learned counsel for the appellants-landowners submits that for the purpose of assessment of market value, the learned Reference Court was required to rely upon the Award

dated 08.02.1990 (Ex.P-6) passed by the learned Reference Court in relation to a previous notification dated 27.04.1988, whereby, the land forming part of the same revenue estate of village Rania, was acquired for setting up of 132 K.V. Sub-Station HSVP at village Rania. He further submits that for the time gap between the two notifications i.e. 27.04.1988 till 01.02.2001, an appreciation @ 12% per annum was required to be awarded over the assessment made by the learned Reference Court in the previous award dated 08.02.1990 (Ex.P-6). Learned counsel also points out that some part of the acquired land even formed part of the municipal limits of Rania since the year 1992 which added to the potential value of the land in question and thus, the market value was required to be enhanced in favour of the appellants.

7. On the other hand, learned counsel appearing on behalf of respondent No.2 submits that in the given facts and circumstances when there was a difference of 13 years between the two notifications i.e. 27.04.1988 and 01.02.2001, no reliance could have been placed upon the determination made vide award dated 08.02.1990 (Ex.P-6) passed by the learned Reference Court in relation to the previous notification dated 27.04.1988. In support, learned counsel for respondent No.2 places reliance upon the decision rendered by the Hon'ble Apex Court in case of ***"Lal Chand vs Union of India and another" 2009 (15) SCC 769.*** Para 19 being relevant is extracted hereunder:-

> *"This Court had occasion to examine this issue recently. In The General Manager, Oil & Natural Gas Corporation Ltd. v. Rameshbhai Jivanbhai Patel [2008 (11) SCALE 637], this court held:-*

> *"Normally, recourse is taken to the mode of determining the market value by providing appropriate escalation over the proved market value of nearby lands in previous years (as evidenced by sale transactions or acquisition), where there is no evidence of any contemporaneous sale transactions or acquisitions of comparable lands in the neighbourhood. The said method is reasonably safe where the relied-on-sale transactions/acquisitions precedes the subject acquisition by only a few years, that is upto four to five years. Beyond that it may be unsafe, even if it relates to a neighbouring land. What may be a reliable standard if the gap is only a few years, may become unsafe and unreliable standard where the gap is larger. For example, for determining the market value of a land acquired in 1992, adopting the annual increase method with reference to a sale or acquisition in 1970 or 1980 may have many pitfalls. This is because, over the course of years, the 'rate' of annual increase may itself undergo drastic change apart from the likelihood of occurrence of varying periods of stagnation in prices or sudden spurts in prices affecting the very standard of increase."*
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> *22 (emphasis supplied) Even if the relied upon transaction is only two to three years prior to the acquisition, court should, before adopting a standard escalation, satisfy that there were no adverse circumstances. For example, if the acquisition is of this year 2009, it may not be possible to determine the market value, based on the 2007 or 2008 prices, by providing an increase of 12% or 15% per year, as the newspaper reports disclose that the price of immovable properties in most areas of the country came down by more than 40% to 50% from the 2007 rates. Caution is therefore necessary before increasing the price with reference to the old transactions. Be that as it may. It is clear that the award made in regard to a 1961 acquisition will not be of any use for determining the market value for a 1981 acquisition.*

7.1 Learned counsels for respondent No.2 further submit that there was no evidence available on record so as to award any enhancement in favour of the appellants-landowners and as such, the impugned award was liable to be set aside, especially, when the learned Reference Court even failed to record reasons for the enhancement of market value from

Rs.2 lakhs per acre to Rs.2.5 lakhs per acre. As such, it was prayed that the appeal preferred at the instance of respondent-State was liable to be allowed.

8. I have heard learned counsel for the parties and gone through the paper book. In the given facts and circumstances, I find substance in the submissions made on behalf of the appellants-landowners.

9. As per the records, previously vide notification dated 27.04.1988, some part of rectangle No.179, killa No.11, 20 and 21 falling in the revenue estate of Village Rania, besides some other land was acquired for the public purpose namely, for setting up of 132 KV Sub-station HSVP at village Rania. In the said context, the determination of market value was made by the learned Reference Court in LA case No.3 of 1989 decided on 08.02.1990, titled as ***"Chhinder Singh and another vs. The State of Haryana and another",*** at the rate of Rs.2 lakhs per acre besides award of other statutory benefits. The said determination dated 08.02.1990 by the learned Reference Court has been produced and proved on record as Ex.P-6. In the present acquisition, which commenced vide notification dated 01.02.2001, different portion from rectangle No.179, killa No.12, 13, 18, 19, 22 and 23, besides some other land from the revenue estate of Village Rania has been acquired for the public purpose i.e. for construction of 220 K.V. Sub-Station at village Rania, which is, in fact, an expansion of earlier 132 K.V. Sub-station.

10. In such circumstances, taking into consideration the immediate locational proximity between the two parcels of land which have been abutting to each other, the learned Reference Court was required to place reliance upon the determination made vide earlier Reference Court award

dated 08.02.1990 (Ex.P-6), relating to the earlier notification dated 27.04.1988 issued under Section 4 of the 1894 Act.

10.1 With all due respect to the exposition of law laid down by the Hon'ble Supreme Court in case of the ***"General Manager Oil & Natural Gas Corporation Ltd. vs. Rameshbhai Jivanbhai Patel, 2008 (4) RCR (Civil) 487***, later followed in case of ***Lal Chand's*** case (supra), may not apply to the peculiar facts and circumstances of the present case wherein the present acquisition which commenced vide notification dated 01.02.2001 was for expansion of the previous Sub-Station set-up in terms of earlier notification dated 27.04.1988 and the gap between the two notifications is13 years; more particuylarly in wake of the latest decision made by the Hon'ble Apex Court in ***Central Warehousing Corporation v. Thakur Dwara Kalan Ul-Maruf Baraglan Wala (Dead) and Others "***, reported as (2024) 13 SCC 805 wherein it was held that for awarding just compensation the annual increase varies from case to case and for a time gap of 11 years, 8% annual increase with cumulative effect was deemed appropriate. Relevant paragraphs No.25 is extracted hereunder:-

> *"Taking an overall view in the matter and the consistent view of this Court, the fair and reasonable compensation in the present case would be best determined if we apply 8% annual increase with cumulative effect. This is for the reason that the gap is huge i.e. 11 years. For shorter period of 3-5 years, it could have been 10% or 12%. But in no case 15% would be justified for a period of 11 years as awarded by the High Court in the impugned order. In the present case, given the 11 years gap, 8% would be considered just and proper."*

11. Moreover, the value of the land pertaining to the same rectangle

number and the adjoining khasra numbers was determined by the learned Reference Court vide its award dated 08.02.1990 @ Rs.2 lakhs per acre and after a gap of almost 13 years, the appellants-landowners in relation to the adjoining and abutting land cannot be awarded the market value merely @ Rs.2.5 lakhs per acre.

12. In the given circumstances when the part of the acquired land has even fallen within the extended limits of Municipal Committee, Rania which definitely added to its potential value and in wake of principles laid down in ***Central Warehousing Corporation's*** case (supra), it would be safe to award annual appreciation @ 8% per annum for the time gap between the two notifications dated 27.04.1988 and 01.02.2001 i.e. the previous and the later acquisition. Applying the same, the market value of the land under acquisition thus, comes to Rs.4,04,000/- per acre.

13. In view of the aforesaid discussion, the appeals filed at the instance of landowners are partly allowed, whereas, the cross-appeals filed at the instance of State are hereby dismissed.

14. Further, in case of unfortunate demise of any of the appellants-landowners, if the legal heir(s)-legal representative(s) have not been brought on record, they shall be entitled for filing exemption applications in their own names being legal heirs or legal representatives of the deceased-landowners; subject of course to any testamentary document created by the deceased.

15. Pending application, if any, also stands disposed of.

02.12.2025 **(HARKESH MANUJA)**
sonika **JUDGE**

Whether speaking/reasoned: Yes/No
Whether reportable: Yes/ No

Sr. No.	**Case No.**
1.	RFA-1792-2004 (O&M)
2	RFA-1535-2004 (O&M)
3	RFA-1536-2004 (O&M)
4	RFA-1534-2004 (O&M)
5.	RFA-1383-2004 (O&M)
6.	RFA-1384-2004 (O&M)
7.	RFA-1382-2004 (O&M)
8.	RFA-1533-2004 (O&M)

02.12.2025 **(HARKESH MANUJA)**
sonika **JUDGE**