

2025:PHHC:143370



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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-3003-2016 (O&M)

Date of Decision: October 15, 2025

RADHA SOAMI SATSANG BEAS

.....Appellant

Versus

STATE OF HARYANA & ANR

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Manish Soni, Advocate and
Mr. Lovekash Mehta, Advocate for the appellant.

Mr. Abhinash Jain, DAG, Haryana.

HARKESH MANUJA, J. (ORAL)

By way of present appeal, challenge has been laid to the judgment dated 17.11.2015 passed by the learned Additional District Judge, Hisar, whereby the reference petitions filed under Section 18 of the Land Acquisition Act, 1894 (hereinafter referred to as 'the Act') by the appellant-landowner, seeking enhancement of compensation was dismissed.

2. Briefly stating, land measuring 2.72 acres, situated within the revenue estate of Village Masudpur, Tehsil Hansi, District Hisar was acquired for the public purpose for construction of road from Mahjat to Datta via Masudpur Road in District Hisar vide notifications dated 03.08.2010 and 07.12.2010 issued under Sections 4 and 6 respectively of the Act. The Land Acquisition Collector (for short 'LAC') passed Award No.1-H dated 02.11.2011 assessing the market value at the rate of Rs.12,00,000/- per acre along with other statutory benefits.

3. The appellant-landowner, feeling dissatisfied with the award, sought reference under Section 18 of the Act pleading that the market

value of the acquired land was not less than Rs.1,00,00,000/- per acre as the same existed in the vicinity of hospital, school, Ashram Dakshin Haryana Bijli Vitran Nigam Limited's control room and even abutting the National Highway.

4. Upon notice, respondents filed joint written statement stating that LAC rightly awarded the compensation as the acquired land was situated more than 2 kms away from the village and there was no residential house nearby the land. Moreover, the respondents also denied the factum of acquired land being situated in the close proximity of hospital, school.

5. On the basis of pleadings of the parties, the following issues were framed by learned Reference Court on 16.07.2012:-

- “1. What was the market value of the acquired land at the time of publication of notification under Section 4 of the Land Acquisition Act 1894 and as to whether petitioner/petitioners is/are entitled to compensation as prayed and to what extent? OPP
2. Whether the petitions are time barred? OPR
3. Relief .”

6. In order to prove their case, the appellant examined Chhabila as PW-1, Ram Sarup as PW2, Sadhu Ram Malik as PW-3, R.K. Mehta as PW-4 and Ravi Kant as PW5 besides tendering certain documents in evidence. On the other hand, respondents examined Udayvir Jhahria, SDO, Hansi as RW1.

7. After considering the evidence, the learned Additional District Judge, Hisar, vide award dated 17.11.2015 dismissed the petition filed at the instance of appellant.

8. Aggrieved of the aforesaid award dated 17.11.2015, the present appeal came to be filed.

9. Impugning the aforementioned award, learned counsel for the appellant-landowner submits that the learned Reference Court went wrong while discarding the sale instance Ex.P-1 dated 28.05.2012 which though related to the same revenue estate of village Masudpur, Hansi, District Hisar whereby, 14 marlas of land was sold for Rs.2,52,000/- and the market value per acre was around Rs.28,80,000/-. He thus, submits that by applying the doctrine of de-escalation @ 12% per annum, the sale deed Ex.P-1 should have been relied upon for the purpose of assessment of compensation. Learned counsel submits that the learned Reference Court also went wrong while having failed to award compensation on account of construction of boundary wall, septic tank, sewerage etc. which were existing over the acquired land. He submits that the valuation report Ex.PW 4/A in this regard was proved on record from the side of appellant-landowner through Architect-R.K, Mehta who appeared as PW-4 and assessed the cost of construction as on the date of notification issued under Section 4 at Rs.2,80,109/-. In view of the aforesaid submissions, learned counsel for the appellant submits that the compensation awarded to the appellant was required to be enhanced.

10. On the other hand, learned counsel for the State submits that no interference was called for in the decision rendered by the learned Reference Court as the appellant-landowner was adequately compensated having been awarded market value @ Rs.12,00,000/- per acre. He also points out that even as per the sale instance Ex.R-7 dated 24.12.2012 whereby, 38 kanals and 4 marlas of land situated in revenue

estate of village Masudpur was sold for Rs.48,65,000/- and market value per acre was Rs.10,12,223/- the market value awarded in favour of appellant-landowner @ 12,00,000/- per acre was more than sufficient and the same calls for no interference. Learned counsel also submits that no interference was even called for with the findings recorded by learned Reference Court whereby, the claim made by the appellant-landowner with respect to construction of boundary wall, septic tank sewerage etc. was declined as the same was based on proper appreciation of evidence available on record.

11. I have heard learned counsel for the parties and gone through the paper-book. I find substance in the submissions made on behalf of the appellant.

12. The respondent-State has produced on record a site plan prepared by the concerned revenue officials, giving clear depiction of the sale instance Exs.P-1 and P-2 produced by the appellant-landowner as well as the sale deed Ex.R-7 dated 24.12.2012 produced by the respondents. The said site plan is relevant and material for adjudication of the present case as the same would also help this Court to determine the issue of market value in an effective manner and is even, signed by the concerned Patwari, is taken on record as Mark-X

13. In the present case, merely 2.72 acres of land situated within revenue estate of village Masudpur, Tehsil Hansi, District Hisar came to be acquired vide notification dated 03.08.2010 issued under Section 4 of the Act for the public purpose namely for construction of road from Mahjat to Datta via Masudpur road in District Hisar. As a matter of fact, the road was already in existence and the acquisition was carried out merely for

the purposes of widening the same, meaning thereby, that the acquired land was already existing along the road. In the evidence, the appellant-landowner produced on record the following two sale deeds:-

Sr. No.	Details	Consideration	Area	Price per Marla
Ex. P-1	Sale deed No.1343 dated 28.05.2012 Khewat No.435	Rs.2,52,000/-	0-14 M (420 sq. Yards)	Rs.18,000 (Per marla)
Ex.P-2	Sale Deed No.7135 Khewat No.228	Rs.61,000/-	0-1M (30 sq. yard)	Rs. 61,000 Per marla

14. A perusal of the site plan Mark-X produced by respondents shows that the sale deed Ex.P-2 dated 15.12.2011 is situated at a distance of around 5 kilometers from the land under acquisition and even relates to the revenue estate of a different village namely Datta. Still further, the same pertains to only 1 marla of land, as such, it may not be safe and appropriate to rely upon it as a sale exemplar. Besides it, another sale deed which has been produced on record by appellant-landowner is Ex.P-1 dated 28.05.2012. A perusal of the sale deed Ex.P-1 dated 28.05.2012 reflects that 14 marlas of land situated within revenue estate of village Masudpur was sold at Rs.2,52,000/- and the sale consideration per acre was Rs.28,80,000/-. The site plan Mark-X depicts that the sale instance Ex.P-1 is situated away from the road and is towards village Masudpur whereas the land under acquisition is exactly on the road and thus, definitely has more potential attached to it in comparison to the land forming part of the sale instance Ex.P-1. In the given facts and in the absence of there being any other sale instance available on record either from the side of appellant-landowner or

respondents, it would be appropriate to place reliance upon sale instance Ex.P-1 dated 28.05.2012. However, considering the fact that the acquisition in the present case relates to rural area, therefore, by applying the principle of de-escalation which has been approved by the Hon'ble Apex Court in its latest decision titled as "**Ram Kishan (since deceased) vs. State of Haryana** reported as **2025 SCC Online SC 715**, deduction @ 8% per annum needs to be applied on the sale price per acre as determined from the sale instance Ex.P-1 dated 28.05.2012 for the time gap between the date of notification under Section 4 in the present case i.e. 13.08.2010 till the date of sale instance Ex.P1 dated 28.05.2012. Relevant paragraph Nos.25 and 26 thereof are reproduced hereunder for reference:

"25. In *Peerappa Hanmantha Harijan (Dead) by Legal Representatives and Others v. State of Karnataka and Another*, (2015) 10 SCC 469, finding that lands which were acquired by a later notification in 1988 were adjacent to the lands acquired in the case in question in 1981, this Court applied the principle of de-escalation. The relevant parts of the judgment are set

Out hereunder:

"77. Further, the land which has been covered under notification in 1988 is also adjacent to the residential sites which were formed. The landowners in that case produced the sale deeds of the years 1986 and 1988 respectively, which was 2 years and 2 months earlier respectively to the notification issued in the year 1988 and some of which were two to three years earlier. Taking the said relevant facts into consideration, the High Court of Karnataka redetermined the compensation at Rs. 7.5 per square feet of land bearing Survey No. 389 covered in award passed in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005 after giving deduction towards the developmental charges, de-escalation and conversion charges. The same method should be applied in the case on hand.

78. Further, the High Court ought to have taken into consideration the relevant fact that though the final notification for the land covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005 was in the year 1988, it was for industrial development and the said land was also leased in favour of the allottee Company by KIADB to be used for the industrial development. The land along with the other lands covered in the 1981 notification was also acquired by the State Government for the purpose of the industrial

development and allotted to the Company for the development of the industrial estate. Therefore, apart from the fact that there was a gap of 7 years in which the lands of the appellants were notified for acquisition to the land covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005, it is an admitted fact that there is similarity in the nature of the land and the purpose for which they were acquired.

80. As per the survey conducted by the State Government, it is an undisputed fact that mineral is available in the land and the Company is extracting the same to be used as raw material for the manufacture of cement in its factory. Therefore, though the land in the present case is a short distance away from the lands covered in MFA No. 3796 of 2005 and Cross-Objection No. 213 of 2005, both have been acquired for the purpose of industrial development and sought to be used for the same purpose by the Company. The land of the appellants herein along with other lands that was acquired vide notification in 1981 has been allotted in favour of the Company for the purpose of extracting the mineral of limestone which is the raw material used for the purpose of manufacturing the cement used for the commercial purpose. Therefore, the land of the appellants is acquired for the non-agricultural potentiality and the same is used for commercial purpose. Therefore, determining deductions towards de-escalation at 5% per year for 7 years and 10% towards waiting and other incidental charges would justify the redetermination of the market value of the land of the appellants."

26. Moreover, in ***Chandrashekar (dead) by LRs and Others v. Land Acquisition Officer and Another, (2012) 1 SCC 390***, this Court, while recognising the principle of de-escalation held in Para 37, 40 and 42 as under:-

37. Even though escalation of market price of land is a question of fact, which should ordinarily be proved through cogent evidence yet, keeping in mind ground realities, and taking judicial notice thereof, we are of the view that land prices are on the rise throughout the country. The outskirts of Gulbarga Town are certainly not an exception to the rule. The exemplar sale deed dated 30-12-1983 was executed exactly 1 year 7 months and 17 days after the publication of the preliminary Notification on 13-5-1982. Keeping in mind the judgments referred to hereinabove, we are of the view, that no fault can be found with the determination rendered by the High Court in making a deduction of 10% under the head of "de-escalation", specially when the period in question exceeded one year (as for annual deductions), by 7 months and 17 days.

40. Based on the aforesaid deductions, the High Court calculated the market value of the acquired land at Rs. 67,954 per acre. In spite of the above, the market value of the acquired land for disbursement of compensation to the land-losers was fixed by the High Court at Rs. 65,000 per acre. A perusal of the judgment rendered by the High Court reveals that in allowing final compensation at the rate of Rs. 65,000 per acre to the land-losers, the High Court had placed reliance on market value fixed by the High Court itself in an

earlier case. In this behalf, it would be pertinent to mention, that the High Court had awarded Rs. 65,000 per acre as compensation payable to the land-losers, in an earlier process of litigation pertaining to acquisition of land, out of the same notification (under which the appellants' land was acquired). The aforesaid determination was rendered in respect of the land acquired from the revenue estate of Badepur Village.

42. The conclusions drawn by us hereinabove apply equally to Civil Appeals Nos. 8899-901 of 2011. In this behalf it would also be pertinent to mention, that the conclusions drawn by us pertain to acquisition of land falling in the revenue estate of Village Badepur. Insofar as the instant set of appeals are concerned, they pertain to land acquired from the revenue estate of Village Rajapur. The High Court, while making a reference to the land acquired from Village Rajapur, noticed that Village Rajapur had a lower market value as it was farther from the nerve centre of Gulbarga Town as compared to Village Badepur. As such, we are of the view that in the facts and circumstances of the present case, it would be just and appropriate to affirm the compensation determined by the High Court at Rs. 65,000 per acre, even for the land acquired from the revenue estate of Village Rajapur.”

15. No merits can be found in the submission made on behalf of the respondents with respect to the sale deed Ex.R-7. As per the site plan Mark X, the land under acquisition is situated exactly along the road leading from village Masudpur to Hisar whereas the land forming part of the Ex.R-7 is around 5-6 acres away from the road. Moreover, the perusal of the sale deed Ex.R-7 also shows that the said transaction was among the family members only. Therefore, it cannot be taken as a bona fide transaction for the purposes of placing reliance for determination of market value being not reflective of the genuine market price of the land.

16. Further, in the humble opinion of this Court, the land under acquisition abuts the road connecting village Masudpur to Hisar and thus, has significantly more potential value attached to it as compared to the land forming part of the sale deed Ex.P1 dated 28.05.2012 which is situated at some distance from the said road being situated towards the village. Even the purpose of acquisition being that of widening of road,

respondents were not going to suffer any loss of land or any development cost for providing infrastructural civic amenities like green belt, part, community building etc. Additionally, it may be noticed here that the land under acquisition is merely 2.72 acres and therefore, the sale exemplar dated 28.05.2012 measuring 14 marlas, comparatively cannot be said to be of too small a parcel of land. As such, the current situation is appropriate where deduction on account of development cost on the sale price per acre derived from the sale exemplar Ex.P1, need not be applied. Accordingly, in the light of discussion made hereinabove, the market price per acre with respect to acquired land as on the date of notification under Section 4 i.e. 20.07.2010 after applying de-escalation @8% per annum for the time gap between 03.08.2013 to 28.05.2012 i.e. 14 months comes to Rs.26,06,400/-($28,80,000 - 28,80,000 \times 9.5\%$).

17. Further, with respect to the award of compensation towards the construction of boundary wall, septic tank sewerage etc., a perusal of record shows that valuation report Ex.P-4/A has been proved on record by PW-4 Architect-RK Mehta and as per the said report, the valuation comes to Rs.2,80,109/-. In the cross-examination, no question was put to PW-4 regarding the existing construction over the acquired land before its acquisition. Furthermore, even Mr. Udayveer Jhahria, SDE, Provl. Sub-Division No.1m PWD B&R Br., Hansi while appearing as RW-1 nowhere disputed or denied that there existed no construction over the land in question at the time of its acquisition. In addition, the appellants also produced the electricity bill, the payment receipts, the certificate issued by the SDO, DHBVN, Hansi (Ex. P-18, P-19, P-20 and P-24 respectively) regarding the details of the electricity connection and the date of

connection being 24.02.2010 and *inter se* communication between the Dera Beas and the Secretary Hansi, as well as the completion report being Exs. P-21 and P-25 respectively. A cumulative analysis of the documentary evidence to the aforesaid effect makes conclusive that the boundary wall, septic tank the sewerage etc. existed over the land in question at the time of its acquisition and thus, the appellant-landowner is accordingly held entitled for compensation on this account to the tune of Rs.2,80,109/- as per the valuation report Ex.PW4/A.

18. In view of the aforesaid circumstances, the present appeal is disposed of with aforesaid modification.

19. Besides it, the landowner-appellant shall also be entitled for all the statutory benefits and interest, provided under the provisions of the Act.

20. 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 applications before the learned Executing Court.

21. Pending application(s), if any, shall also stand disposed of.

15.10.2025
Tejwinder

(HARKESH MANUJA)
JUDGE

<i>Whether speaking/reasoned</i>	<i>Yes/No</i>
<i>Whether Reportable</i>	<i>Yes/No</i>