

2028 PHHC:026917



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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-1916-2003 (O&M)

Date of Decision: February 19, 2026

AJIT SINGH DHAMI AND ANR.

.....Appellant

Versus

PUNJAB STATE AND ANR.

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. M.S. Virk, Advocate for the appellant.

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

HARKESH MANUJA, J. (ORAL)

By way of present appeal, challenge has been laid to the judgment dated 06.11.2002 passed by the learned Additional District Judge, Hoshiarpur (for short 'Reference Court') whereby the reference petition 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 partly allowed.

2. Briefly stating, land measuring 26 kanals 16 marlas, situated within the revenue estate of Village Khawaspur Piplanwala, Tehsil and District Hoshiarpur was acquired for the public purpose, namely, for "construction of Ring Road, Hoshiarpur Phase No.III, Group No.IV connecting Hoshiarpur-Phagwara road to Hoshiarpur Jalandhar road" vide notification dated 02.08.1993 issued under Section 4 respectively of the Act. The Land Acquisition Collector (for short 'LAC') passed Award dated 01.03.1996 assessing the market value along with other statutory benefits as under:

Kind of Land	Rate per acre
Chahi	Rs. 98240/-
Banjar Qadim	Rs. 63280/-
Gair Mumkin Bhatta	Rs. 63280/-
Gair Mumkin Rasta	Rs. 63280/-

3. Aggrieved of the award dated 01.03.1996, the appellant(s)-landowner(s) sought reference under Section 18 of the Act pleading that the price of acquired land was not less than Rs.30,000/- per marla as the same was situated near the abadi of village and had potential of being put to commercial use. Moreover, it was pleaded that as a result of acquisition, the land belonging to the appellant-landowner has been bifurcated, thus causing great loss to them.
4. Upon notice, the same was contested by the respondents-State having filed written statement wherein it was pleaded that the compensation awarded by the LAC was adequate. It was further pleaded that the acquired land was situated on the low-lying area and the abadi was at a distance of around 3-4 miles therefrom, thus no interference was called for in the award passed by the LAC.
5. On the basis of pleadings of the parties, the following issues were framed by learned Reference Court:-

- “1. What was the market value of the acquired land at the time of issuing notification under Section 4 of the Land Acquisition Act,1894? OPA
- 2. Whether the land of the applicants has been severed and the applicants are entitled to the severance charges? OPA
- 3. Whether the compensation granted by the Collector was inadequate? If so, whether the applicants are entitled to any enhancement? OPA
- 4. Relief.”

6. After considering the evidence, the learned Reference Court, vide award dated 06.11.2002 enhanced the amount of compensation to Rs.20,000/- per kanal for *Chahi* land besides granting all other statutory benefits under the Act.

7. Aggrieved of the aforesaid award dated 06.11.2002 passed by the learned Reference Court, the appellant-landowner filed the present appeal.

8. I have heard learned counsel for the parties and gone through the paper-book.

9. For assessment of market value of the acquired land, in pursuance to notification dated 02.08.1993 issued under Section 4 of the Act, the respondents produced following 3 sale deeds:

Exhibits	Dated	Area	Sale Consideration
R-2	28.04.1993	3 kanals	Rs.24,500/-
R-3	28.04.1993	2 kanals	Rs.21,000/-
R-4	28.08.1992	2 kanals 3 marlas	Rs.20,000/-

The aforementioned sale deeds produced by respondents were discarded by the learned Reference Court having recorded the following findings in paragraph No.15 of the impugned award:-

“15. If the contention of learned Government pleader is accepted, the value of the land per kanal comes to about Rs.8,000/- to Rs.10,000/-. This contention cannot be accepted because the value of the land per acre determined at the above rate would vary between Rs.72,000/- to Rs.80,000/- per acre whereas the Collector in the Award has granted Rs.98,240/- per acre to the applicant. Apparently, the above sale-deeds relied upon by the respondents are under valued.”

10. The aforesaid finding was never challenged by the respondents either by way of filing an appeal or even cross-objections. The same thus became conclusive and attained finality. Moreover, the respondents have not been able to refer to any records regarding the Collector rate of the area so as to dispel the reasoning recorded by the learned Reference Court about the aforementioned sale deeds being undervalued.

11. On the other hand, the appellant-landowner relied upon the following sale deeds:

Exhibits	Dated	Area	Sale consideration	Appx. rate per acre
P-2	06.10.1993	8 marlas	Rs.40,000/-	Rs.8,00,000/-
P-3	06.09.1993	16 Marlas 1 sirsai	Rs.81,000/-	Rs.8,10,000/-
AW8/1A	06.09.1993	16 Marlas 1 sirsai	Rs.81,000/-	Rs.8,00,000/-
A-1	16.11.1990	5 marlas 6 sirsai	Rs.22,500/-	Rs.6,35,300/-

12. A perusal of the aforesaid shows that the 3 sale deeds i.e. Ex.P-2, P-3 and Ex.AW 8/1-A are post notification therefore, need not be relied upon. The sale deed Ex.A-1 dated 16.11.1990 vide which 5 marlas 6 sirsai of land forming part of the same revenue estate of Village Khawaspur was sold for sum of Rs.22,500/- with base price per acre @ Rs.6,35,300/- (Rs.3971/- per marla) being prior to notification under Section 4 needs to be taken into account. The determination towards market value in the case in hand relates to the revenue estate and not a kasba, town or city. Thus, the mere fact that the comparative location of the land parcel forming part of the sale instance Ex.A-1 in terms of the acquired land has not been established on record cannot be treated fatal to the cause of the appellant-landowner as the same can always be

balanced by applying a suitable cut against the sale price of such transaction.

13. In the present case, the sale exemplar Ex.A-1 is dated 16.11.1990 whereas, the notification under Section 4 was issued on 02.08.1993. Thus, there being a time gap of around 2 years and 9 months, an appreciation @ 8% SI per annum needs to be awarded in favour of the appellant(s)-landowner(s) over and above the base price derived from the aforesaid said exemplar. However, the fact that the total land acquired is around 26 kanals 16 marlas, forming part of revenue estate of village Khawaspur, whereas, the land forming part of sale exemplar Ex.A-1 is 5 marlas 6 sirsai, an appropriate deduction of 40% needs to be applied towards smallness of area involved in sale exemplar.

14. In the given facts, since the total land measuring 26 kanals 16 marlas was acquired for public purpose of construction of ring road, Hoshiarpur phase No.III, Group No.IV, the State did not suffer any loss of land or expense towards providing of additional infrastructural amenities like parks, roads, green belts or community building etc, thus no cut towards development cost needs to be applied.

15. Accordingly, in view of discussion made hereinabove, market value as on the date of notification under Section 4 of the Act comes to Rs. 4,65,040/- per acre. The appellants shall be entitled for other statutory benefits and interest including the interest on solatium under the Act.

16. Further, the bifurcation of landholdings owned by the appellant-landowner into two parts as an effect of acquisition of land for public purpose namely construction of ring road, Hoshiarpur phase No.III, Group No.IV was duly established on record, and the appellant(s)-

landowner(s) were awarded damages @ 5% of the market value against severance charges. However, considering the purpose of acquisition, which definitely and conclusively dissects the land by bifurcating it into two parts, in such circumstances, the appellants/landowners are bound to suffer loss towards cultivation of land besides causing them inconvenience towards connectivity of the parcels left on either side of the road. Moreover, severance also causes reduction in value of remaining land due to alteration in access, useability, 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 @ 25% of the market value as assessed by this Court.

17. In view of the above, the present appeal is disposed of with the aforesaid modification.

18. 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.

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

19.02.2026
Tejwinder

(HARKESH MANUJA)
JUDGE

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