

2026.PHHC:067401



118

IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-5764-2012 and other connected cases

Date of Decision: May 01, 2026

M/S RATTAN CHAND SAW MILL

.....Appellant

Versus

UNION TERRITORY, CHANDIGARH

.....Respondent

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. Rajiv Dhiman, Advocate and
Mr. S.N. Kandpal, Advocate for the appellant.

Mr. Sumeet Jain, Addl. Standing counsel, U.T. Chandigarh.

HARKESH MANUJA, J. (ORAL)

Vide this common order, a batch of 6 Regular First Appeal(s) shall stand disposed of, details of which are mentioned in the footnote of the judgment. For convenience, the facts are culled out from **RFA-5764-2012**.

2. By way of present appeal(s), challenge has been laid to the judgment dated 17.07.2012 passed by the learned Additional District Judge, Chandigarh (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(s)-landowner(s), seeking enhancement of compensation was partly allowed.

3. Briefly stating, certain land, situated within the revenue estate of Village Manimajra, Chandigarh was acquired for the public purpose, namely, "*for development of residential-cum-commercial complex, Scheme No.3 of the Notified Area Committee*" vide notification dated 28.06.1990 issued under Section 4 of the Act, followed by a declaration dated 24.06.1991 issued under Section 6 of the Act. The Land Acquisition Collector (for short 'LAC') passed Award No.570 dated 11.08.2004 awarding compensation *qua* superstructures and trees.

4. The appellants-landowners, feeling dissatisfied with the award, sought reference under Section 18 of the Act while pleading that the compensation awarded by the LAC was on a lower side and no notice under Section 12(2) of the Act was ever served upon them at the time of passing of award.

5. Upon notice, the same was contested by the respondents-State by way of filing a reply.

6. Upon framing of issues and after considering the evidence, the learned Reference Court, vide award dated 17.07.2012 granted the full value of super structures instead of scrap value assessed by the PWD Department besides awarding 25% increase over and above the compensation awarded by the PWD Department along with interest and other statutory benefits under the Act.

7. Aggrieved of the aforesaid award dated 17.07.2012 passed by the learned Reference Court, the appellants-landowners filed the present appeal(s).

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

9. The short grouse raised on behalf of the appellant(s)-landowner(s) is that as against the market value-compensation assessed in their favour with respect to the construction existing over the acquired land, the benefit under Section 23(1-A) and also Section 23(2) of the Act was declined to them by the learned Reference Court.

10. In the present case(s), the case set up by the appellant(s)-landowner(s) was that certain construction was existing over their landholdings at the time of its acquisition. It has not been disputed that at the time of passing of the award No.570 dated 11.08.2004, the LAC besides awarding the market value in favour of the appellant(s)-landowner(s) also granted them other statutory benefits in terms of Section 23(1-A) as well as Section 23(2) of

the Act along with statutory interests as applicable, however, the learned Reference Court while passing its award dated 17.07.2012, specifically and categorically denied the benefit of solatium as well as the additional market value to the appellant(s)-landowner(s) by relying upon the decision dated 08.02.2011 rendered by the Hon'ble Supreme Court in C.A. No. 1494 of 2011 titled ***“State of Punjab Vs. Amarjeet Singh and Anr.”*** reported as **2011(4) SCC 734**.

10.1. In the humble opinion of this Court, the decision rendered by the Hon'ble Apex Court in case of ***Amarjeet Singh*** (Supra) was not applicable to the facts and circumstances of the present case(s) as the point of law dealt in the said case was only to the effect that as to whether the benefit under Section 23(1-A) of the Act is confined to the market value of the land or extends to solatium as well. Most humbly, the issue involved in the present case(s) is totally different which relates to award of benefits under Section 23(1-A) and Section 23(2) of the Act in favour of landowners whose land had construction existing thereupon at the time of its acquisition.

10.2. At this stage, it may be relevant to take note of Clause (a) of Section 3 of the Act alongwith Section 23(1-A) and Section 23(2) thereof, which are thus reproduced hereunder:-

Section 3(a) of Land Acquisition Act, 1894:

“3(a) the expression “land” includes benefits to arise out of land, and things attached to the earth or permanently fastened to anything attached to the earth”

Section 23(1-A) of Land Acquisition Act, 1894:

“23(1-A). In addition to the market value of the land, as above provided, the Court shall in every case award an amount calculated at the rate of twelve per centum per annum on such market value for the period commencing on and from the date of the publication of the notification under section 4, sub-section (1), in respect of such land to

the date of the award of the Collector or the date of taking possession of the land, whichever is earlier.”

Section 23(2) of Land Acquisition Act, 1894:

“23(2). In addition to the market value of the land as above provided, the Court shall in every case award a sum of [thirty per centum] [Substituted by Act 68 of 1984, Section 15, for " fifteen per centum" (w.e.f. 24.9.1984).] on such market value, in consideration of compulsory nature of the acquisition.”

11. A perusal of the Sections 23(1-A) and 23(2) of the Act makes it evident that the additional benefits thereunder are to be computed on the *“market value of the land.”* Further, upon a bare reading of Section 3(a) of the Act, it is clear that the definition of term *“land”* as provided under the Act includes benefits arising out of land and things attached to the earth or permanently fastened to anything attached to the earth, which, in simple terms, shall include the constructions existing over the land at the time of its acquisition. In such circumstances, the appellants-landowners shall be entitled for the statutory benefits as provided under Section 23(1-A) as well as Section 23(2) of the Act upon the market value assessed against the construction existing over the subject land at the time of its acquisition. Support in this regard can be drawn from the decision rendered by the Hon’ble Apex Court in case of ***“Chaturbhuj Pande Vs. Collector, Raigarh”*** reported as **1969 AIR (SC) Page 255**. Relevant paragraph No.9 therefrom is extracted hereunder for kind reference:-

“9. In sub collector of godavari v. seragam subbaroyadu, (1907) ilr 30 madras 151, the high court of madras held that the trees standing on the land acquired are things attached to the earth and hence they are included in the definition of land in section 3(a) and that definition must apply in construing section 23 of the act. it further held that the value of the trees as are on the land when the declaration is made under section 6 must be included in the market value of the land on which the allowance of 15 per cent

*should be given under section 23(2) of the act, the same view was taken by the allahabad high court in **krishna bai v. secretary of state ilr 42 allahabad 555**. we are satisfied that these decisions lay down the law correctly. no decision taking a contrary view was brought to our notice.”*

12. In view of the aforesaid, the present appeal(s) are allowed and award dated 17.07.2012 passed by the learned Reference Court is hereby modified to the aforesaid extent.

13. Besides it, the landowner-appellant shall also be entitled for all the statutory benefits and interest under the Act, especially the interest on solatium.

14. 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.

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

01.05.2026
Tejwinder

(HARKESH MANUJA)
JUDGE

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

Other connected cases
RFA-6373-2012
RFA-6374-2012
RFA-6375-2012
RFA-6376-2012
RFA-6377-2012