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IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

RFA-207-2015 and other connected cases

Date of Decision: April 28, 2026

BIJE SINGH

.....Appellant

Versus

STATE OF HARYANA & ORS

.....Respondents

CORAM: HON'BLE MR. JUSTICE HARKESH MANUJA

Present: Mr. J.P. Dhull, Advocate for the appellant
in RFA Nos.67 and 68 of 2016.

Mr. Abhinash Jain, DAG, Haryana.

HARKESH MANUJA, J. (ORAL)

Vide this common order, a batch of 3 Regular First Appeal(s) bearing RFA Nos. 207 of 2015, 67 and 68 of 2016 shall stand disposed of as the same involve common question of law and fact. For convenience, the facts are drawn from **RFA-207-2015**.

2. By way of present appeal(s), challenge has been laid to the judgment dated 29.05.2014 passed by the learned Additional District Judge, Kaithal (hereinafter referred to as '**Reference Court**') whereby the reference petition filed under Section 18 of the Land Acquisition Act, 1894 (hereinafter referred to as '**the Act**') by the appellants-landowners, seeking enhancement of compensation was partly allowed.

3. Briefly stating, certain land, situated within the revenue estate of Village Mal Kheri, H.B. No.9 Tehsil and District Kaithal, was acquired for the public purpose, namely, "*for extension of Shergarh Guhna Link Channel*" vide notifications dated 09.06.2010 and 28.12.2010 issued under Sections 4 and 6 of the Act. The Land Acquisition Collector (for short '**the LAC**') vide his Award dated 17.08.2011 assessed the market

value of the acquired land @ Rs.12,00,000/- per acre along with other statutory benefits under the Act.

4. The appellant(s)-landowner(s), feeling dissatisfied with the award, sought reference under Section 18 of the Act pleading that the price of acquired land was not less than Rs.50,00,000/- per acre as the same was situated near the main road. Moreover, it was pleaded that the LAC had not considered the relevant sale deeds and mutations of acquired land while awarding the compensation.

5. Upon notice, the same was contested by the respondents-State by way of filing written statement wherein it was pleaded that the compensation of the acquired land was assessed as per the market value after considering all the facts necessary under the provision of law.

6. Upon framing of issues and after consideration of the evidences led by both the parties, the learned Reference Court, vide award dated 29.05.2014 enhanced the amount of compensation to Rs.23,23,200/- per acre.

7. Aggrieved of the aforesaid award dated 29.05.2014 passed by the learned Reference Court, the appellants-landowners filed the present appeal(s).

CONTENTION(S):

ON BEHALF OF THE APPELLANT(S)-LANDOWNER(S)

8. Impugning the aforementioned award, learned counsel for the appellant(s)-landowner(s) submits that the learned Reference Court erred having applied a deduction of almost 40% over the sale price per acre derived from the sale instance Ex.P1 vide which 4 kanals of land was sold for Rs. 19,36,000/- with the base price Rs.38,72,000/- per acre.

Learned counsel thus contends that in the given facts and

circumstances, when the total acquired land from the revenue estate of village Mal Kheri was merely 1.38 acres and the land parcel forming part of sale deed Ex.P1 was 4 kanals, no deduction was required to be applied towards smallness of area. As such, the market value was required to be re-assessed and enhanced accordingly in favour of the appellants/landowners and the appeal(s) preferred at the instance of the landowners were to be allowed.

ON BEHALF OF THE RESPONDENT(S)-STATE OF HARYANA

9. Per contra, learned counsel appearing on behalf of the respondent(s)-State submits that the learned Reference Court erred having discarded the sale deeds Exs. R-2 and R-3 produced on record by the respondent(s)-State wherein the sale price reflected per acre for the revenue estates of village Mal kheri ranged from Rs.3 to 6 lakhs. He also contends that the sale deed produced by the appellants/landowners in the form of Ex.P-1 pertained to a different village, namely, Baba Ladana, whereas the acquisition in case(s) in hand was carried out from the revenue estates of village Mal kheri and as such the same was not to be relied upon. He thus submits that the appellants/landowners were already awarded sufficient market value at the rate of Rs. 12,00,000/- per acre by the LAC and thus, no further enhancement was required to be awarded in their favor. He thus prays that the appeal(s) preferred at the instance of the landowners were to be dismissed.

DISCUSSION AND REASONING:-

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

11. In order to decide the issue of re-assessment of market value of the acquired land, details of the sale instances produced by the

respective parties are relevant and thus, the same are reproduced hereunder:-

Sale deeds produced by the appellants-landowners:

Exhibit	Date	Area	Sale consideration	Village	Price per acre
P-1	06.05.2011	4 kanals	19,36,000/-	Baba Ladana	Rs.38,72,000/-

Sale deeds produced by the respondents-State:

Exhibits	Date	Area	Sale consideration	Village	Price per acre
R-2	12.01.2010	1 kanal 14 marlas	Rs.1,27,500/-	Mal Kheri	Rs.3,14,285/-
R-3	07.12.2009	6 kanals 9 marlas	Rs.4,84,000/-	Mal Kheri	Rs.6,00,310/-

12. A perusal of the above chart shows that in the sale deeds produced by respondent(s)-State in the form of Exs. R2 and R3, the sale price per acre ranged approximately between Rs.3 lakhs and Rs.6 lakhs, whereas the LAC vide its award dated 17.08.2011 awarded market value @ Rs. 12 lakhs per acre, which is around two to three times more than the sale consideration reflected in the aforementioned sale deeds. Pertinently, the valuation of acquired land made by the LAC was based on a report submitted by the Divisional Level Rate Fixation Committee. Once the revenue/executive officials in their wisdom themselves assessed the value of the land forming part of the revenue estate of village Mal Kheri to be Rs. 12 lakhs per acre, the sale instances Exs.R-2 and R-3, wherein the sale consideration was approximately 50% to 70% lesser than the market value assessed by the LAC, cannot be taken to be as *bona fide* and genuine sale transactions reflecting the representative market value of the said land at the time of its acquisition and as such, need to be discarded.

13. Further, the sale instance produced by the appellant(s)-landowner(s) in the form of Ex. P-1 dated 06.05.2011 pertained to the revenue estate of village Baba Ladana, whereas the acquisition in hand related to the land forming part of revenue estate of village Mal Kheri. However, the evidence available on record in the form of Ex.R1, i.e. the Collector rate fixed for the year 2011-12 for district Kaithal; which included the revenue estates of villages Mal Kheri as well as Baba Ladana, reflected that both the revenue states were placed at parity. The relevant extract from Ex. R-1 is reproduced herein:-

Sr. No.	Village	Nature of land	Valuation for 2010-11	Valuation for 2011-12	Unit	Normal/ Prime
33.	Sanghan	Agricultural	Rs.8,00,000/-	Rs.9,00,000/-	Acre	Normal
34.	Mal Kheri	Agricultural	Rs.8,00,000/-	Rs.9,00,000/-	Acre	Normal

13.1. In view of the above, it was evident that the locational and potential value of land forming the part of the revenue estate of village Mal kheri and village Baba Ladana was similar and identical. Moreover, RW-1, namely, Ashok Kumar Gupta, SDO Water Services Subdivision, Kaithal, in his cross-examination, denied the suggestion that Baba Ladana and Mal Kheri were not neighboring villages, thus, admitting the fact that Baba Ladana and Mal Kheri were neighboring villages. In such circumstances, the learned Reference Court rightly placed reliance upon the sale instance Ex.P1 dated 06.05.2011 pertaining to the revenue states of village Baba Ladana for the purpose of determination of market value in the case(s) in hand. The aforesaid view is also derived from observations made by the Hon’ble Apex Court in ‘**Land Acquisition Officer v. Karigowda**’ reported as **(2010) 5 SCC 708**, whereby, it was held that the evidence pertaining to land situated in the adjoining villages,

sharing similar physical characteristics, fertility, and development potential, can be taken into account for determining of the market value in land acquisition cases. The relevant paragraphs thereof are extracted hereunder:-

“64. It is a settled principle of law that lands of adjacent villages can be made the basis for determining the fair market value of the acquired land. This principle of law is qualified by clear dictum of this Court itself that whenever direct evidence i.e. instances of the same villages are available, then it is most desirable that the court should consider that evidence. But where such evidence is not available court can safely rely upon the sales statistics of adjoining lands provided the instances are comparable and the potentiality and location of the land is somewhat similar. The evidence tendered in relation to the land of the adjacent villages would be a relevant piece of evidence for such determination. Once it is shown that situation and potential of the land in two different villages are the same then they could be awarded similar compensation or such other compensation as would be just and fair.

*65. The cases of acquisition are not unknown to our legal system where lands of a number of villages are acquired for the same public purpose or different schemes but on the commonality of purpose and unite development. The parties are expected to place documentary evidence on record that price of the land of adjoining village has an increasing trend and the court may adopt such a price as the same is not impermissible. Where there is commonality of purpose and common development, compensation based on statistical data of adjacent villages was held to be proper. Usefully, reference can be made to the judgments of this Court to the cases of **Kanwar Singh & Ors. v. Union of India [JT 1998 (7) SC 397]** and **Union of India v. Bal Ram & Anr. [AIR 2004 Supreme Court 3981]**.”*

14. Taking into account the fact that the sale deed Ex.P1 dated 06.05.2011 pertained to period post-notification under Section 4 of the Act which was issued on 09.06.2010, therefore applying the principle of de-escalation in the case(s) in hand, a deduction of 10% needs to be applied over the base price @Rs.38,72,000/- per acre derived from the sale instance Ex.P1 dated 06.05.2011 for the time gap of almost 11 months which comes to Rs.34,84,800/- per acre (38,72,000-3,87,200)

Reliance in this regard can be placed upon the decision of the Hon'ble Apex Court in "**Ram Kishan (Since Deceased) Through his LRs etc Vs. State of Haryana & Ors.**" reported as **2025 INSC 441** whereby the principle of de-escalation and its applicability were discussed. The relevant paragraph Nos.25 and 26 therefrom are reproduced hereunder:-

"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 9 / 15 LAW FINDER
Licensed To: Sachin Balda Advocate PDF downloaded from the online archives of Chawla Publications(P) Ltd. 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 landlosers, 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. Further considering the fact that the sale instance Ex.P1 relates to 4 kanals of land whereas the acquisition in hand from revenue state of village Mal Kheri was merely 1.38 acres, though in the humble opinion of this court, no deduction needs to be applied towards the smallness of area, especially when as per the deposition made by RW1, namely, Ashok Kumar Gupta, SDO Water Services, Sub-Division Kaithal, the acquired land adjoins the *abadi* of village Mal kheri, however, considering the fact that the sale instance Ex.P1 relates to the adjacent revenue state of village Baba Ladana and not of the same revenue state of village Mal Kheri, in order to balance the equities, a deduction of 20% needs to be applied as per which the base price per acre comes to Rs.27,87,840/- (34,84,800-6,96,960).

16. Accordingly, the market value of the acquired land is assessed @ **Rs.27,87,840/- per acre**. In addition, the landowners shall also be entitled for all other statutory benefits and interest, especially interest on solatium under the 1894 Act.

17. Furthermore, considering the fact that the land in the present case(s) was acquired for the public purpose, namely, “for Extension of

Shergarh Guhna Link Channel” which thus resulted into bifurcation of land owned by the appellant(s)/landowner(s), 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 Channel. 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 the learned Reference Court, however subject to its proof by the appellant(s)/landowner(s) in the executing proceedings.

18. In view of the aforesaid circumstances, the present appeal(s) are partly allowed with the aforesaid modification.

19. 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.

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

28.04.2026

Tejwinder

(HARKESH MANUJA)
JUDGE

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